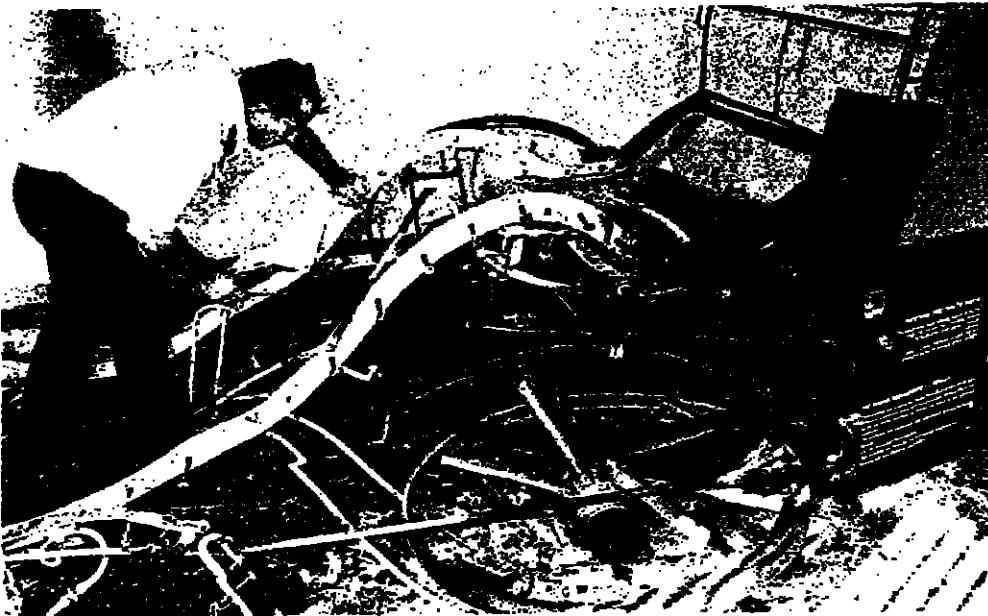
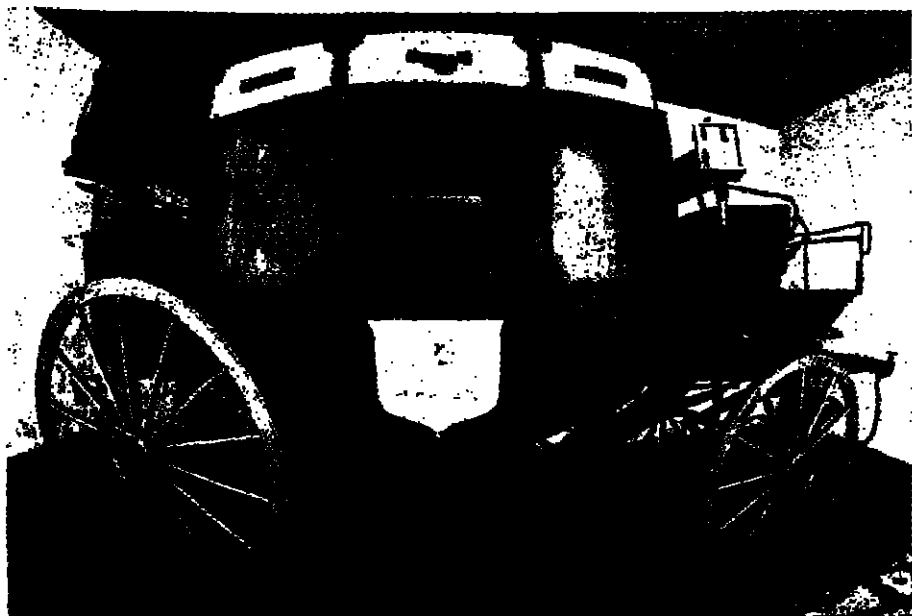




Amal lifts siege, page 3

## History into ashes — Montefiore carriage burns



A fire set by arsonists before dawn yesterday reduced the historic Montefiore carriage in Jerusalem's Yemin Moshe neighbourhood to a pile of bent springs and mangled metal. The police had not made any arrests by last night. According to Rami Yaffe, deputy commander of the Jerusalem Fire Brigade, traces of petrol and pieces of rags were found around the burnt carriage. He said the fire had already destroyed most of the carriage by the time his men arrived at the scene at 3:45 a.m. The carriage, well over 100 years old, transported Sir Moses Montefiore on his many journeys around the Holy Land between 1827 and 1875. It had been on display behind iron bars

near Montefiore's windmill in Yemin Moshe since 1968. The Jerusalem municipality has already asked experts to try to reconstruct an exact replica of the carriage, a municipal spokesman said yesterday. Ten-year-old Benjamin Adar was one of those upset by the sight of the charred remains yesterday morning. "Why would someone want to burn a piece of history? Who could do this?" he asked as older passers-by walked past the carriage, shook their heads and speculated about who was responsible. Yaffe said he had at least one clue: "I'm sure it was somebody without a heart." (Photos by Richard Nowitz, Brian Hendler).

## West Bank killings

# Settlers may have fired fatal shots

By JOEL GREENBERG  
Jerusalem Post Reporter  
RAMALLAH. — Jewish settlers have been linked to Monday's fatal shooting of a 12-year-old at the Balata refugee camp and the killing of two students at Bir Zeit University last week.

The investigators believe that the fatal shots at the Balata camp were fired from a car carrying settlers and soldiers which — according to soldiers at the site — passed by the camp at about the time the boy was killed. Investigators do not know the calibre of the bullet which struck the boy, since his body did not contain a bullet. According to Defence Minister Yitzhak Rabin, however, there are indications that the bullet which hit the boy was of a different calibre than those used by the IDF.

security in a West Bank settlement, told Israel Radio yesterday that he had been accompanying a bus carrying children from the settlement of Pesagot to Jerusalem, and had fired five times in the air to prevent demonstrators from approaching the road near the college. He said he had received approval by wireless from the area commander to disperse the demonstrators. The commander however informed Israel Radio that he had in fact told the man to leave the area.

Rabin yesterday toured the sites of current tension in the West Bank, including the old campus of Bir Zeit University and Balata, which has been under curfew for three days. He was accompanied by OC Central Command Ehud Barak and by Shmuel Goren, coordinator of activities in the territories. Chief of General Staff Moshe Levy visited

## Nakash pal planned big gold heist

By MENACHEM SHALEV  
Jerusalem Post Reporter

The intended victim of the foiled highway robbery of March 17, 1985, in which William Nakash was arrested was a "senior clergyman" on his way back from Jordan with 60 gold bars and over \$2 million.

One of the participants in the foiled heist, Meir Cohen, subsequently turned state's evidence, in a deal which stipulated that Nakash also not be brought to trial.

Well-placed sources have said that Cohen had "very important information" to impart, and there is speculation that this pertained to the investigation of Rafi Levy, the senior interior Ministry official accused of bribery.

This case also involved Armenian Archbishop Shaha Ajamian.

The identity of the targeted clergyman has been kept secret, as have other details of the trial in the Jerusalem District Court in which two other participants in the heist were found guilty, after concluding a plea-bargain agreement.

A police source told *The Jerusalem Post* last night that the target of the 1985 heist was Archbishop Yeshighe Derdarian, the Armenian patriarch who ousted Ajamian from the Armenian synod, although other versions have a Greek prelate as the target.

Meanwhile, a copy of the French autopsy report on Abdallah Hakkar, killed by Nakash on February 22, 1983 in Besancon, reveals that the man was hit by eight bullets fired from four different weapons.

Some Nakash supporters have claimed that he had not intended to kill Hakkar but had acted in "self defence," and had wanted to teach Hakkar a lesson for harassing Jews.

The State Attorney's Office decided yesterday that its own representative — and not an outside lawyer — would defend before the High Court of Justice Justice Minister Avraham Shari's decision not to extradite Nakash.

Shari and Attorney-General Yosef Harish met twice earlier with attorney Renato Yarak, a former director of the ministry's High Court Division, who had agreed to defend Shari as a hired lawyer.

But Senior Ministry sources explained privately last night that "since Harish has decided that we must defend Shari's decision — which is basically indefensible — then at least we shouldn't waste thousands of dollars in the process."

## 'Reagan okayed Iran deal'

By WOLF BLITZER  
Jerusalem Post Correspondent

WASHINGTON. — President Reagan yesterday pledged once again to clear up the Iranian scandal as quickly as possible, insisting that he knew nothing about the diversion of profits from those sales to the rebels in Nicaragua.

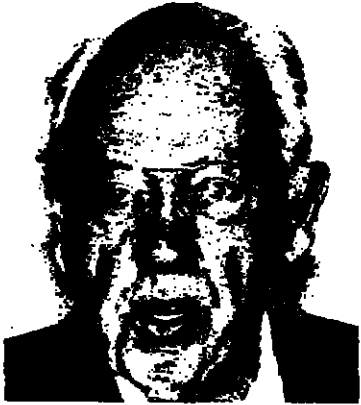
But a ranking Democratic member of the House Foreign Affairs Committee, Rep. Stephen Solarz of New York, yesterday emerged from several hours of closed-door hearings with Central Intelligence Agency Director William Casey to tell reporters that Reagan "almost certainly" authorized the operation.

Another member of the panel, Republican Robert DeWine of Ohio, called Solarz's statement "nothing short of outrageous," maintaining that nothing Casey said could lead to that conclusion. DeWine said that there was "no evidence" to link the president to the Contra slush fund.

Casey, for his part, was said by committee members to have insisted that he, too, knew nothing about the Contra connection to the Iran arms sales until it was disclosed by Attorney-General Edwin Meese late last month.

Democratic Rep. Dante Fascell of Florida, chairman of the Foreign Affairs Committee, described Casey's secret testimony as "extraordinary" but refused to provide details. Fascell did say that Meese may have spoken "with too much haste" last month in maintaining that only Lt. Col. Oliver North and Vice Adm. John Poindexter, who recently resigned from the National Security Council, knew of the operation.

Republican Congressman William Broomfield of Michigan, the ranking minority member on the panel, said that it was now clear that some



William Casey (Reuters telephoto)

"wrongdoing" had occurred and that some CIA officials had acted with "very poor judgment." He said that some "restructuring" of the CIA may now be in order.

Solarz, carefully weighing his words, said that it was "absolutely clear" to him that neither Poindexter nor North could have conducted the elaborate Iran arms-Contra funding operation on their own — "without the approval of a higher authority."

Solarz then suggested that the "higher authority" was "almost certainly" the president himself. The congressman declined to discuss publicly what Casey had said during the secret session.

Former National Security Adviser Robert McFarlane said yesterday that Israel had submitted a list of 800 "moderate" Iranian leaders in an effort to persuade the U.S. to open political dialogue and an arms-supply relationship. It was reported yesterday.

McFarlane's remarks here leaked from his closed-door testimony to the House Foreign Affairs Committee. One of the names on the secret list was that of Speaker of the Iranian Parliament Rafsanjani.

According to *The Wall Street Journal*, McFarlane was told by David Kimche, the Foreign Ministry director-general, that these Iranian moderates could be cultivated by U.S. arms sales to Iran.

McFarlane has confirmed previously that his talks in Washington with Kimche in early July 1985 represented an effective turning-point in the U.S. decision to establish an Iranian initiative, resulting in August of that year in Reagan's first authorization of an Israeli arms shipment to Iran.

The former U.S. official, who in May of this year flew secretly to Tehran, said that Kimche had strongly urged the U.S. to open talks with an Iranian intermediary in Europe, Manucher Ghorbanifar, who was supposedly close to Rafsanjani and Prime Minister Musavi.

In its report yesterday, the *Journal* said that Kimche had actually given McFarlane a seven- or eight-page, type-written list of names of senior Iranian officials constituting a faction receptive to improved ties with the West.

Under sworn testimony, McFarlane is said to have told the panel that the Iranian officials wished to improve relations with the U.S. with a view to bringing to an end the Iran-Iraq war, and out of concern about a potential threat from the neighbouring Soviet Union.

Israeli officials have repeatedly insisted that the U.S. initiated the Iran arms deals, largely in order to win the release of American hostages in Lebanon. They deny that this strategy was Israel's idea. Israel, they say, was merely responding to an American request for assistance.

U.S. officials yesterday said that Israel had several reasons of its own for urging the U.S. to establish a political dialogue with Iran and to

(Continued on Back Page)

## Economic reform sparks opposition

By SARAH HONIG  
and MICHAEL YUDELMAN  
Jerusalem Post Reporters

TEL AVIV. — Vice Premier and Labour leader Shimon Peres gave qualified support yesterday to the plan to reform the tax structure and capital market proposed by Finance Minister Nissim, which requires a large budget cut. Prime Minister Shamir, the Likud chief, has given it his full backing.

Nissim yesterday met Histadrut Secretary-General Yisrael Kessaf to discuss the new policies, which involve lowering tax rates and abolishing tax exemptions on many forms of financial assets.

Kessaf made no official comment on the plan, and said that the Histadrut would formulate its own economic proposals before Sunday, when the budget for the next fiscal year is to be presented to the cabinet. Treasury officials insist that the reform package cannot be effective without a budget cut of NIS 500 million.

Differences over the reform package could potentially escalate into a battle between two major parties, political observers said yesterday. Some thought it unlikely that Nissim would be able to amass enough support for the plan to present it to the cabinet this Sunday. They predicted a fortnight of give and take on its various aspects.

Political sources in both large parties agreed last night that the apparent support expressed by Peres in no way puts the lid on expressions of discontent in Labour. The Labour ministers are to meet in caucus tonight.

Likud sources told *The Jerusalem Post* that Peres had already informed Shamir that he is not certain he would be able to swing all Labour ministers behind the new economic programme. The sources say that the Likud would view Peres's performance with the Labour ministers on the budget issue as a touchstone of his and his party's willingness to live up to their obligations under the rotation agreement to cooperate with the prime minister.

The Histadrut is expected to oppose Nissim's demand for a wage freeze. The Histadrut seeks compensation for the wage erosion that has occurred over the last several years. The Histadrut also opposes the plan's aim to charge fees, or raise those already in effect, for education and health services.

Discontent in Labour is described as so extreme that a number of ministers are seeking to reject the entire plan out of hand at tonight's caucus.

Peres yesterday tried not to upset either side. Speaking to high school pupils in Tel Aviv, he said he favoured the proposed plan in principle, but with two reservations. He said the government could not adopt the plan alone but must make its decisions in concert with the Histadrut and the Manufacturers Association. He added that to ensure its success, the plan must be put into effect "very gradually."

Generally, however, Peres said the "principles guiding the plan seem acceptable. This was our intention when we worked out the first phase of the economic rehabilitation programme (in summer 1985). Our aim was to prepare the ground for the second phase, which is coming now. There is no doubt that a tax reform is necessary, as is a reform in money markets. All other things must be carefully and thoroughly examined. We have to see what can be implemented and we have to

(Continued on Back Page)



Elie Wiesel receives the Nobel Peace Prize from Nobel committee chairman Egil Aarvik in Oslo yesterday. With them is Wiesel's son. (See story, page 4.) (Reuters telephoto)

## No smoking! in health facilities

Post Science and Health Reporter  
Smoking will be banned in all hospitals, health-care facilities and Health Ministry offices — except for restricted areas like balconies or special rooms.

This was announced yesterday by Health Minister Shoshana Arbeli-Almosino, who said that the health system must "serve as an example" to the public. "It is unthinkable," she continued, "that a person going to a health facility for treatment is exposed to cigarette smoke and the diseases caused by smoking." She added that she would not allow a doctor or nurse to treat a patient with a cigarette in his or her mouth.

She also sent a letter to the prime minister, asking that he prohibit smoking in all cabinet meetings, a practice instituted by former premier Begin which has lapsed.

(There are a number of heavy smokers in the cabinet, including Vice Premier Peres and Defence Minister Rabin.) Arbeli-Almosino said she would speak personally with members of her party who smoke to persuade them to give up the habit, at least during cabinet meetings.

It has long been forbidden to smoke in the Knesset plenum, so the minister saw no reason why the rule shouldn't apply in the cabinet.

The Ministerial Committee on Economics decided this week to ban smoking during its meetings.

Smoking in certain public places, including taxis, buses and Kupat Holim clinics, has been banned for over a year.

## Sarid suffers heart attack

By JUDY SIEGEL  
and DVORAH GETZLER

Yossi Sarid MK, of the Citizens Rights Movement, was reported to be out of danger and in stable condition at Jerusalem's Hadassah-University Hospital in Ein Kerem last night, after suffering a mild heart attack at the Knesset.

Sarid, 45, never lost consciousness but was in considerable pain when he was brought to the duty hospital. Sarid took 15 minutes after tabling a motion attacking theatre censorship. He had left the chamber and gone downstairs, stopping to chat with journalists in the press wing.

As he continued through the corridors, he suddenly felt unwell and

tried to reach his room to lie down. But he collapsed, and the Knesset doctor was called.

An intensive-care ambulance was summoned, and Sarid was given a nitroglycerine shot and an injection to relieve his chest pain before being taken to hospital.

His colleague, Shulamit Aloni, who suffered a heart attack last year said later, visibly shaken: "Ours is a party in which people take things to heart."

When news of Sarid's heart attack reached the Knesset chamber, Interior Minister Yitzhak Peretz, who was replying to the motions on censorship, wished him a speedy and complete recovery.

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5-10 p.m. at the  
Ramada Renaissance Hotel,  
Wolfson St., Jerusalem.





## Palestinians leave some positions as Shi'ites lift siege

MAGHDOSHEH (Reuters). — Palestinians yesterday evacuated some strategic positions won from the Shi'ite Amal militia in this south Lebanese town, and Amal later broke a two month siege on Rashidiyeh, the Palestinian refugee camp near Tyre.

It was the biggest success so far for Iranian and Libyan efforts to arrange a truce after 10 weeks of Amal-Palestinian fighting in which at least 600 people have been killed and more than 1,150 wounded in and around refugee camps.

But it was unclear last night if the latest ceasefire plan and withdrawal would progress beyond its first phase, particularly while PLO chairman Yasser Arafat had not yet approved the plan.

In Maghdousheh, scores of Palestinians withdrew from five frontline positions and handed them over to a buffer force of the pro-Iranian Hizbullah (Party of God).

A handful of the village's Christian residents ventured from their shell-pocked houses to watch the handover, which was supervised by Iranian officials who have done much of the negotiating in past days. Shortly after the Maghdousheh

withdrawal, some 100 Amal fighters around Rashidiyeh watched as two vans with emergency supplies and six ambulances entered the refugee camp, breaking a two-month Amal siege, Reuters reporter Hala Jaber said.

Bulldozers had already removed huge sand barriers erected around the camp as shields from snipers.

In Beirut, Palestinian sources reported sporadic exchanges of rocket-propelled grenades at the camps of Shatila and Bourj al-Barajneh.

Arafat has so far rejected the latest cease-fire arranged through negotiations with pro-Syrian Palestinian factions that have been fighting with Arafat.

Yesterday's moves to implement the truce came after five days when Iranian and Libyan efforts were undermined by flares of fighting and a day after Soviet Ambassador Vasily Kolotousha said Moscow was adding its weight to peace efforts.

In Tunis, the PLO failed to get Arab guarantees for a cease-fire at a two-day emergency Arab League meeting which ended on Tuesday night.

## Sandinista invaders quitting Honduras

TEGUCIGALPA (Reuters). — Sandinista troops who crossed into Honduras to fight U.S.-backed rebels are returning to Nicaragua following a weekend Honduran air raid on Sandinista positions, a government spokesman announced yesterday.

"Sandinista troops are leaving and the border tensions are beginning to wind down," acting Foreign Minister Guillermo Caceres Pineda said.

Caceres also said the departure of Nicaraguan Contra rebels along the border who are fighting Nicaragua's leftist Sandinista government "would be positive because it would avoid border problems for us."

Diplomatic observers said the statement reflected Honduras' longstanding concern over the high concentration of Nicaraguan rebels in Honduran bases.

Discontent over the Nicaraguan Democratic Force (FDN) presence in Honduras has grown in the past two weeks since it was revealed that \$10m. to \$30m. in profits from a

highly controversial U.S. arms deal with Iran were diverted for rebel use.

Congressmen say the deal may have violated restrictions on U.S. aid to the Contras since Congress had not yet approved military aid for the rebels. Washington observers have said the scandal could doom future U.S. aid to the rebels from Congress.

Honduras has repeatedly told the Reagan administration it wants the 13,000 to 16,000 FDN troops to stay in Nicaragua, where they have scored few significant military victories since they began receiving CIA assistance in 1981.

Last week Honduran President Jose Azcona told new U.S. ambassador Everett Briggs that Honduras wanted rebel troops out of Honduras, a government official said.

Caceres said that in spite of the border clashes "relations with Nicaragua are not threatened" and added that the two nations would continue to have normal links.

## Computer fails, newspaper hand-writes all articles

BRUSSELS (AP). — The daily *De Morgen* appeared on the news stands yesterday in a most unusual way.

Due to a computer failure, its journalists and editors hand-wrote all their articles filling the tabloid's 32 pages.

The paper which is suffering from serious financial problems and looking for fresh capital, wrote on the front page:

"If a potential new owner had checked out the paper yesterday, he — she would have seen high technology at its very best. Early in the morning the central computer conked out. But you know us. For you we go through fire and concrete walls. The pencils were quickly handed out, the fingers and scissors were sharpened."

## Zambia deploys army to curb food riots

LUSAKA (AP). — Zambian troops and paramilitary police patrolled riot-torn cities yesterday after violent demonstrations against food price hikes claimed five lives, the Zambian premier announced.

Kebby Musokotwane told the National Assembly that the victims included four rioters and one policeman.

"There have been acts of lawlessness and general hooliganism," he said. "These activities have taken the form of damaging buildings belonging to the government...and private sector." He said army units were deployed in the northern copper region in the heart of the country to keep law and order.

Zambian newspaper reporters in the area said cities and towns were quiet after rioting and looting on Tuesday.

Residents of mining centres in the

region said armed soldiers were searching vehicles at roadblocks and checking identity papers.

Home Affairs Minister Cosmas Chibanda announced the closure of borders "because of the serious situation." Zambian reporters said it was the worst civil unrest since President Kenneth Kaunda led the former British colony of Northern Rhodesia to independence in 1964.

A reporter for the government newspaper *Zambia Mail* reported from Kitwe that he saw police open fire on looters stealing six Peugeot cars from a showroom. Several people were wounded, he said.

Zambia's economy is in its worst shape since independence. Foreign debts amount to over \$4 billion and debt service requirements drain more than 40 per cent of the government's export income, 90 per cent of which comes from copper sales.

## Tougher censorship due in South Africa

JOHANNESBURG. — South Africa will impose sweeping new curbs today on news of political unrest and opposition to the government, the deputy minister for information said yesterday.

Stoffel van der Merwe told foreign correspondents the censorship would mean that news on sensitive issues such as unrest would have to be cleared by a cabinet minister, deputy minister or a designated spokesman.

The issues would cover "all sorts of resistance to the government," he said.

Van der Merwe told correspondents that South Africa was "going into times that will be trying for you and me also."

Restrictions on reporting have been in force since the government declared a nationwide state of

emergency last June and five foreign correspondents have since been ordered out of the country.

Van der Merwe said the new curbs would apply to reports of passive opposition such as black consumer boycotts as well as violence.

Meanwhile, black miners from rival tribes battled each other at a gold mine, leaving at least two dead and 12 wounded.

Gold Fields of South Africa, one of the nation's major mining firms, said in a statement that three more blacks were killed when the violence spread to neighbouring farms near Klooof gold mine after the initial fighting there on Tuesday night. Gold Fields said it was not clear whether the additional three victims were also miners.

(Reuters, AP)



The 1986 Nobel Prize winners pose yesterday in Stockholm before the award ceremony. From left, Gerd Binnig (Switzerland, physics), Yuan T. Lee (U.S., chemistry), James Buchanan (U.S., economics), Heinrich Rohrer (Switzerland, physics), Ernest Ruska (W. Germany, physics), John Polanyi (Canada, chemistry), Dudley Hersbach (U.S., chemistry). Front row, Stanley Cohen (U.S., medicine), Wole Soyinka (Nigeria, literature) and Rita Levi-Montalcini (U.S., medicine). (Reuters telephoto)

### Saudi-Syrian pact

BEIRUT. — Syria and Saudi Arabia signed a bilateral agreement to fight terror, *La Revue de Liban* has reported. The pact was signed during the visit of the Saudi interior minister to Damascus.

### Relative of Khomeini heir a murderer

NICOSIA (AP). — A relative of the chosen successor to Ayatollah Ruhollah Khomeini confessed to murder, hoarding weapons and working for the Shah's secret police.

Mehdi Hashemi has admitted that the base for his activities was the office of the unwitting Hussein Ali Montazeri, Khomeini's hand-picked heir.

## Paris students stage silent peaceful march

PARIS (Reuters). — Tens of thousands of students marched silently through Paris yesterday, paying homage to a colleague killed in demonstrations against planned higher education reform and to mark Prime Minister Jacques Chirac's withdrawal of the reforms.

Keynote of the demonstrations here and in other parts of France was "never again" to what the students saw as a threat to their rights and alleged police repression which stu-

dents say caused the death of 22-year-old Malik Ousseine and severe injuries to two other students.

Massive student protests against the reform plan last weekend began peacefully. But they ended in bloody clashes in the Latin Quarter between riot police and demonstrators in which Ousseine, a French student of Algerian origin, died after an alleged police beating and dozens of other students and police were injured.

## European arms men swarm into Teheran

By DAVID HOROVITZ  
Jerusalem Post Correspondent  
LONDON. — Arms dealers from all over Europe have reportedly been flying into Teheran during the past two weeks, keen to sell arms to the Khomeini regime now that American arms sales have been made public.

The dealers, quoted in yesterday's *Times*, felt that the U.S. admissions freed them of any obligation not to sell guns, ammunition and aircraft parts to Iran.

West Germany, Italy and Spain are said to be at the forefront of the anxious would-be suppliers, and agents for British computerized military equipment are also reported to have arrived in Teheran.

"Iranians need new equipment for their air force and for their tanks, and they are going to get it," the report quoted a West German arms dealer as saying.

According to the *Times*, there is a growing suspicion that Iran deliberately exposed the U.S. arms shipments, in the belief that once European weapons suppliers saw America violating its own arms embargo, they would agree to make their arms and ammunition available to Teheran.

According to *Jane's Defence Weekly*, Iran has only some 40 combat aircraft left in operation — giving Iraq a 12-1 air advantage.

The magazine reported yesterday that Iran had lost 54 aircraft to date in the Gulf war. It also said that Iraq

has recently made major gains in escalating the air war, "badly damaging Iran's economic lifeline, its oil export system, and other industrial centres."

Quoting exiled Iranian air force Colonel Behzad Moezi, who now lives in London, *Jane's* said that Iran now has only seven flyable F-14 Tomcats, none of which has operative radar. The F-5 force is estimated at 10 to 15, while there are said to be some 20 F-4 Phantoms still in operation.

Inadequate maintenance has caused the loss of numerous transport planes, while the tanker/transport force suffers 90 per cent unserviceability.

Iran reportedly received several Chinese-built F-6 aircraft via North Korea recently, but *Jane's* quotes Moezi as saying that "none of these aircraft has been seen in the air."

Iraq's air force, on the other hand, is reportedly going from strength to strength. While the two countries remain stalemated on the ground, "the Iraqis are showing infinitely more aggression in the air than ever before," according to analysts quoted by the magazine.

The Iraqi Air Force has an estimated strength of some 500 combat aircraft, plus 100 helicopter gunships — and this superiority has been further enhanced by recent Iranian defections. "At least three F-4 Phantom crews have landed in Iraq with their fighter-bombers since August," *Jane's* reported.

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'We have come from humiliation to exultation.'

## Wiesel's fellow inmates look back at their ordeal

By ERNIE MEYER  
Jerusalem Post Reporter

As Elie Wiesel received the Nobel peace Prize in Oslo yesterday, three of his fellow inmates from the Buchenwald concentration camp, who were liberated together with him on April 11, 1945, met in Jerusalem to exchange reminiscences.

The three — Rabbi Menashe Klein of Boro Park, New York; Abraham Paluch, a Jerusalem businessman; and Siggy Weiser, a retired TV repairman and recent immigrant from New York — gathered at the home of Rabbi Klein's daughter in Jerusalem's Romema quarter.

Also present was Judith Hemmendinger, the wife of the press attaché at the French consulate. As a young social worker in post-war Paris, she had headed an orphanage where many of the 400 young survivors were put up. Her book, *Children of Buchenwald*, describes the episode.

The gathering was sponsored by the Shvut Ami Centre for Soviet Jews.

Rabbi Klein, 62, a well-known yeshiva head, who has written ten books on halacha and more than 6,000

responsa, recalled the time he spent with Wiesel in Auschwitz, prior to their removal to Buchenwald. "I met Wiesel in the worst days of my life. We put on *tefillin* together — he the ones for the hand and I the ones for the head — and the SS beat us for that," he said.

In Paris we studied *gemara* together until each went our own way. I still advise Eliezer — I call him by his full name — on all religious matters."

Rabbi Klein's attitude towards the Holocaust is that "if we had been better, God would not have punished us. Because we are the chosen people, God expects more from us."

Looking back on the camp days he also said that "it was better to be with God inside, than with the bestial oppressors outside." Rabbi Klein recalled that later in Paris the French government wanted to issue all the youngsters Christian papers. He and two other survivors complained to the Chief Rabbi of Paris and the notion was abandoned.

Siggy Weiser said that with the presentation of the Nobel Peace Prize to Wiesel "we have come from humiliation to exultation."



Senator Edward Kennedy lays a wreath at Yad Vashem in Jerusalem yesterday, while his sister, Jean Smith, looks on. (Brian Hendler)

## EUROPEAN CUP BASKETBALL

### Milano: Familiar, but not friendly

By DON GOULD

Post Basketball Reporter  
"Shalom" tripped off the lips of Tracer Milano's veteran center Dino Meneghin as easily as *bon giorno* when he greeted his long-standing Israeli counterparts upon arriving in Israel.

He recalled earlier that he had been in Tel Aviv at least nine times that he could remember. Whether he was with Billy Milano, Simac, or Tracer, or whatever the sponsor's name, his team from Milan and Maccabi Tel Aviv have created a formidable European basketball rivalry for more than a decade.

Tonight's game at 8:30 at the Yad Elyahu Sports Palace is crucial for both of these long time rivals. Milano lost last week in France to Ortez and cannot afford to open the European finals competition with two losses. Maccabi, although not playing well, managed a victory last week against Zadar of Yugoslavia. For

Maccabi to make it to the final, it is imperative they win all their home games and probably at least two away.

The next part of Maccabi's schedule finds them hitting the road. No place to catch up.

Milano coach Dan Peterson feels that his team, bolstered by new additions Bob MacAdoo and Ken Barlow, are just now coming into form. MacAdoo, the former NBA all-star, admitted that there has been a period of adjustment. He feels he's ready now. Veteran that he is, he still leads his team in scoring while getting used to European rules and playing conditions.

Barlow, a recent Notre Dame graduate, has been learning European basketball at a rapid rate, and the two of them combined with Dino Meneghin, will present a formidable front wall for a fit and ready Maccabi Tel Aviv to face.

#### Starting players tonight

Tracer Milano  
Mike D'Antonio  
Roberto Premier  
Dino Meneghin  
Ken Barlow  
Bob MacAdoo

Maccabi Tel Aviv  
Motti Aroesti  
Mickey Berkowitz  
Lee Johnson  
Kevin Magee  
Howard Lasso

## SOCCER

### For Betar Netanya, things couldn't be much worse

Post Sports Reporter

TEL AVIV. — Betar Netanya's run of bad luck continues. The team that made it from the third division to the National League in successive seasons, have now received the news that their veteran striker Israel Vogel, at 38 the oldest player in the National League, is retiring from football.

He would have been out of place anyway at the team's training this week, as only youth players turned

up. The total compliment of first team players absented themselves from training because they have not been paid for several weeks, and the management of the club has no idea where to find the money to pay them.

More depressing still, Betar Netanya flounders at the bottom of the first division table with a mere four points to show from 11 games — despite employing three different coaches since the start of the season.

## NBA

### Magic making the shots

NEW YORK (AP). — More often than any other time in his career, Magic Johnson is passing up passes and taking more shots.

Johnson, a three-time NBA assist champion, has never led the Los Angeles Lakers in scoring for a season, but this year he is averaging a point per game more than 39-year-old Kareem Abdul-Jabbar.

"We wanted him to shoot more in order to take more of the load off Kareem," Lakers coach Pat Riley said after Johnson scored 22 points in Los Angeles's 113-87 rout of the New York Knicks Tuesday night.

Johnson, averaging 20.8 points per game, almost three above his average for seven previous NBA seasons, scored 11 in the third period, and eight in the final 2:32 as the Lakers broke away from the Knicks.

"Everybody has been coming together as a unit," Johnson said. "We're playing good ball, passing it around."

The Knicks, who got as close as when points in the fourth quarter before the Lakers pulled away, were led by Gerald Wilkins with 22 points and Patrick Ewing with 20 points and 15 rebounds.

Elsewhere, it was the Bulls 106, Nuggets 100 (Chicago's Michael Jordan reached 40 points for the seventh game in a row); Trail Blazers 120, Spurs 104; Hawks 122, Cavaliers 98; Suns 107, Warriors 94; and Kings 128, Nets 107.

## Marathon crooks

NEW YORK (AP). — New York marathon officials reportedly have disqualified 24 runners for cheating.

The *New York Times* reported that race director Fred Lebow said the disqualified runners, including three of the top 100 finishers in the men's division, did not pass video checkpoints.

The video checkpoints were installed as a result of a 1979 incident in which American Rosie Ruiz finished 24th, but was disqualified for taking the subway during the race.

The disqualifications of American John Bell, who finished 69th overall, Stephen King of France, who finished 32nd, and American Warren Stelling, who came in 42nd, marked the first time that any men in the top 100 had been found guilty of cheating.

## NHL

BLOOMINGTON, Minnesota (AP). — Craig MacTavish scored a shorthanded, breakaway goal 53 seconds into the third period Tuesday night, lifting the Edmonton Oilers to a 3-2 NHL victory over the Minnesota North Stars.

UNIONDALE, New York. — Luc Robitaille, the NHL's leading rookie goal-scorer, had three goals, and a fellow rookie Jimmy Carson added two as the Los Angeles Kings routed past the New York Islanders 7-2 for their fifth consecutive victory.

Elsewhere, it was the Sabres 5, Red Wings 3; Blues 4, Nordiques 1; Flyers 6, Canucks 3; and Capitals 4, Devils 2.

## SPORTOTO

TEL AVIV. — Fifty-five football pool players got all 14 results right on last week's Sportoto coupon in a relatively easy week with few surprise results, and will each win NIS 9,000.

Thirteen results were worth NIS 100 only, and those who reached 12 right will get richer by NIS 5.50. Eleven and ten results drew a blank and will get no dividend.

Sportoto announced a minimum total payout after this week's games of NIS 1.5 million.

TIPS

Mac. Yarnov v Mac. FT	Single Perma Line
1. Y. Yarnov v Mac. FT	1 1X
Mac. Hafia v Mac. Netanya	1 1X
Betar J'm v Mac. TA	1 1X
Silberman v Hap. TA	1 1X
Betar TA v Hap. E. Sarva	2 2
Betar Netanya v Beersheva	2 2
Hap. Lod v Mac. Jaffa	1 1
Betar Netanya v Marmorek	1 1
Dizman v Betar Ramat	1 1X
Yelund v Hapoel	1 1
Bet Shimon v R. Asdud	1 1
Hap. R. Gan v Hap. J'm	2 2
Hap. Hadera v Hap. Hafia	1 1

## SCOREBOARD

SOCCER. — Welsh soccer club Caerwys Town upset English Third Division side York City 2-1 to gain the third round of the F.A. (Football Association) Cup. But there was no joy for Chorley, another giant-killer from outside the 12-strong Football League. Coopers of once-famous Wolverhampton Wanderers, Chorley were crushed 5-0 by Fourth Division Preston North End. Cardiff beat Brentford 2-0, and Bristol City beat Bath 3-0.

## Anti-Israel propagandist launches 'Palestinian' tours to Israel

By DAVID HOROVITZ

Jerusalem Post Correspondent  
LONDON. — A controversial British tour operator, the Jerusalem and Peace Service, sent its first party to Israel Tuesday, on a programme intended to provide tourists "with the opportunity to learn at first hand about Palestinian society."

The tour company is run by Uri Davis, an Israeli with a doctorate in anthropology who has taught and researched Palestinian studies at three British universities.

(Davis, one-time member of the radical Matzpen movement, is a well-known anti-Israeli propagandist. He fought against the expropriation of Arab lands in Galilee for Carmiel in the early '60s, evaded army draft, and headed a list in the 1969 Jerusalem municipal elections calling for a redhibition of the city under two autonomous administrations. In September, 1982 he was one of the organizers of an international inquiry, held in Oslo, into alleged Israeli "violations of international law" during the Lebanon War.)

Davis told *The Jerusalem Post* that tourism to Israel had been geared in the past "mainly to the Israeli aspect of life in Israel. We seek to promote a better understanding of the Palestinian aspect of life."

Several Jewish community leaders, who preferred not to be identified, told *The Post* that they were "deeply concerned" at the prospect of a man with Davis's reputation organizing tours to Israel. But Davis claimed that his personal politics had no bearing whatsoever on the tours his company was organizing. "The company does not necessarily represent the political viewpoints of any of those working for it," he said.

The current tour group, Davis added, comprised 18 members of British universities, who already had their own ideas and their own agenda. "They came to us for help in the organization of the tour, and to see if we could fill out their itinerary."

The Jerusalem and Peace Service began operating last summer, when a pilot tour party — including journalists from the British national press — visited Israel in July.

That tour was described by *The Guardian's* Ian Williams in a travel page article which is currently the subject of a complaint to the Press Council.

The complainant, Brian Gordon, told *The Post* that his objection lay in the newspaper's placing of an overtly political article in the travel section, rather than on an opinion page.

Williams recommended that visitors to Israel "stray from the paths of official righteousness," since,

among other reasons, "the Israeli government tourist organization doesn't mention the Palestinians..."

Davis declined to give details of the group's itinerary, but last year's pilot tour took in the "empty church and shattered houses of the Arab village of Bir'im" and the Beduin squatter camp near Beersheba's Omer suburb with its "smell of failure," to quote from Williams's article.

"We are simply worried that Davis and his Peace Service will not be presenting a true picture of Israel," said one community official.

"In fairness to him, we don't know exactly what he's going to do. If he presents a balanced view of Israel, fine. But if he takes his groups to meet with the extremists from both sides, it's not going to be fair and balanced," he said.

According to a list of scheduled tour dates released by Davis in the summer, three tour groups were to have visited Israel by now. Although there have been rumours of groups visiting locations such as Kibbutz Megiddo, Davis insists that previous tours did not take place, because of insufficient demand. His next party is scheduled to leave on December 23, he said, with further tours lined up at the end of the month and in February.

## Over 200 Golan gazelles killed in month of hunting

By ANDY COURT

Hunters have already killed more than 200 gazelles in the Golan Heights as the first gazelle-hunting season in the past 31 years enters its second month. Nature Reserve Authority officials say.

The NRA and officials from the Society for the Protection of Nature supported a gazelle-hunting season this year as a way of reducing the number problem of gazelles on the heights. The 4,000-strong gazelle population there has been damaging crops and has itself been damaged by hoof and mouth disease, maintains Eliezer Frankenberg, of the NRA. Reducing the gazelle population by one-third, should reduce both the damage done to crops and the scope of disease, he said.

"It's clear that reducing the population by a third won't hurt the herd from a biological standpoint,"

Frankenberg said. "We are conducting research all the time on the number remaining, and the moment the population goes down to the level we want we'll stop the hunting."

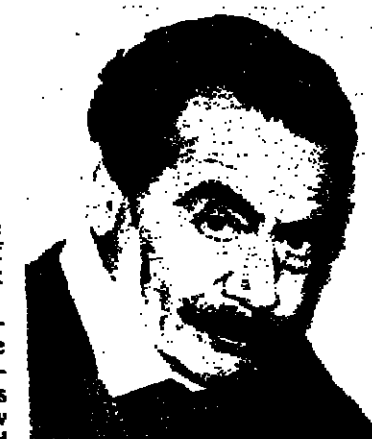
Gazelle hunts have been held one day a week since the beginning of November and will continue until the end of May. Only 50 hunters are permitted to hunt at any one time, and each hunter is allowed to kill only one gazelle.

All gazelles killed are examined for disease and are used for research purposes. The hunting will be interrupted in late January while rangers take a census of the population.

Gazelle hunting has not been permitted in Israel since 1955, Frankenberg said. Last year, however, NRA workers killed about 1,000 of them in an attempt to decrease the population.

## Argentinian writer who fled Nazi threats:

### 'I am not an emigre'



Isidoro Blaistein after his arrival in Israel. (AFP)

And then he recalled the death of his brother in Buenos Aires in 1945 when Nazis fired at a crowd celebrating the end of the war. "I still remember the newspaper headline: 'Enrique Blaistein killed by Nazis on Peace Day.' " Enrique, only 16, was already a professional actor.

His very departure has focused attention there on the Nazi danger, and he hopes that the steps the government takes against the Nazi groups will make a bodyguard superfluous when he returns. "In order to write well, a writer needs freedom, even freedom to walk the street unguarded."

Blaistein shows me the December 1 issue of the newspaper *Crónica*, containing a report that the government has revoked the franking privilege of a Nazi magazine, *Cabildo*.

He expresses his admiration for President Raul Alfonsín. "He is a statesman in the order of Ben-Gurion and De Gaulle." He gives special praise to the interior minister, Dr. Antonio Troccoli. "In general, this is an exceptional gov-

ernment composed of decent men."

But it is anathema to the Nazis, who paint swastikas on kiosks walls, together with slogans about the "dictatorial powers of the Jews."

Because Jews occupy some important government posts, and because a Jew heads the Radical bloc of deputies, one of the Nazi's slogans is: 'We'll finish off the Radical Synagogue!'

Blaistein is the most prominent Jewish writer in the country. He has published 10 books of short stories, one of which won the National Prize for Literature in 1983. In English translation, it was published by Penguin under the title, *Dark Arrows: Chronicles of Revenge*.

While he is not a Zionist, Blaistein said, he was filled with emotion when he visited Israel three years ago. And he has the greatest respect for what Israel has accomplished.

"I am not a ghetto Jew, a type that abounds in Argentina," he said. "They think a Jew must not be too conspicuous in society, must not be a public official, lest the non-Jews envy him. When my life was threatened, they advised me not to report it to the police and assured me that nothing would happen to me."

(Next Monday, December 15, he will lecture at Beit Hefesoth on "The Jewish Writer in Latin America.")

## Shootout may have ended careers of top bank robbers

By YORAM GAZIT

TEL AVIV. — This week's dramatic dusk shootout in Tel Aviv between police and bank robbers may have marked the end of the criminal careers of Israel's own "Butch Cassidy and Sundance Kid."

The two men, who now lie under police guard, in Ichilov Hospital not far from the police officer they had shot in the chest, have committed over a dozen brazen heists between them.

According to police sources, Asher Messer, 43, and Haim Hadi, 41, had their heyday in the early 70s, when they belonged to separate gangs of robbers who haunted the Dan region.

They met in prison after Hadi was sentenced in 1971 for 15 years and Messer was sentenced in 1974 for 12 years, both for armed robbery.

Following their release from prison in 1985, the robbery rate in the Dan region began to soar.

Police sources told *The Jerusalem Post* that Messer, Hadi and a third suspect in the Sunday's evening robbery, Meir Sultan, are being interrogated in connection with the 15 diamond polishing plants robberies committed during 1985.

Veteran policemen who knew Messer and Hadi from the early 70s were surprised to find that the veteran criminals had apparently returned to their old line of work.

A former policeman who participated in the arrest of Messer in 1974, told *The Post* following Messer's latest arrest: "It's just hard to believe; this you could call true love for the profession."

When Messer was caught 12 years ago, the detective recalled, after a lengthy period of surveillance, the police learned that he and his gang had robbed Bank Hapoelam branches in Ramat Gan, Tel Aviv and Hod Hasharon, as well as another bank in Even Yehuda and a Matzot Yisrael factory in Petah Tikva.

Twelve years later, after being released a year early for good behaviour, Messer was arrested again. But this time he fought police with an Uzi submachine gun, wounding a police officer, and nearly losing his own life in the battle.

His partner in the Sunday evening shootout, Hadi, was the first one to surrender after being shot in the leg.

Hadi was a member of another gang which operated in the early 70s, robbing half a dozen banks before he was arrested on Palmahim beach following an attack on a branch in Rishon LeZion.

A police source told *The Post* that the two can now expect to get at least 20 years in prison for attempted murder, armed robbery and illegal possession of weapons.

In very deep sorrow, we announce the death of our dear

## MOSHE ZISMAN

Caracas, Venezuela

who has died at the age of 73.

His body will be brought for burial in Jerusalem and the funeral will take place tomorrow, Friday, December 12, 1986, at 11 a.m. at Givat Shaul cemetery, Jerusalem.

We shall meet at the entrance to Givat Shaul cemetery.

The Mourners:

Wife: Luisa

Son and daughter-in-law: Dr. Elias and Adela Zisman

Daughter and son-in-law: Annabella and Dr. Moshe Attias

Sisters:

Enia Zisman-Sendler

Nucha Zisman-Bronstein

Aldale Zisman-Rubinstein

Grandchildren and all the family

in Israel and abroad

To  
MIKE AND HIS FAMILY  
our sincerest condolences on the death of

## HANNA BARGTEIL

The children and staff  
of the Anna Frank Haven  
Kibbutz Sasa

There will be a memorial meeting and  
consecration of the tombstone of

## FAITH GERON

on Friday, December 12, 1986 at 10:00 a.m.  
at the Herzliya cemetery.

The Geron Family







# Christmas time and credit

Britain is full of Christmas cheer, but no one more so than the credit card companies

By DAVID HOROVITZ

Jerusalem Post Correspondent LONDON. — The pavements along Oxford Street and Regent Street are so crowded these days that people by the thousands are spilling over into the road, blocking traffic and turning London's West End into a frenzied chorus of hooting cars and shouting shoppers.

Yes, it's Christmas time again, and no amount of rain can dampen the traditional seasonal spirit of goodwill and generosity.

But for the millions of British families subsisting on low incomes or unemployment benefit, the advent of Christmas is no cause for celebration. There's hardly enough cash to pay the bills and feed the kids, never mind buy presents.

There's no better barometer of the man in the street's condition than the gritty British soap opera, and down in Brookside, out-of-work electrician Billy has had to "fix" the electricity meter so that it won't register the units consumed.

That fiddle hasn't made much difference to his family's financial plight, however. He owes £500 on his credit card and hasn't paid the mortgage for two months, so last week Billy took out a loan from one of the numerous agencies that now advertise in the popular dailies. He doesn't know how he'll ever pay it back; he's just hoping his luck is going to change.

Christmas is coming, but it's the loan agencies and the credit card companies, not the gecs, that are getting fat.

Researchers estimate that half the goods sold in Britain this Christmas will be bought on credit—via Access, Barclaycard, American Express or one of the 1,200 individual store credit cards.

Britain has no central credit register—it is claimed, with some justification, that such a register would be an invasion of privacy—so there is nothing in theory to stop someone from obtaining every one of those 1,200 store credit cards, as well as the whole set of more general cards.

Credit cards have spread like the plague in the last 10 years, taking consumer debt from \$7.5 billion in 1976 to \$42b. (in current dollars) this year—or \$90 per adult.

The companies push the cards hard, sending them unasked through the mail, offering bonuses for customers who spend more with them. The day of reckoning catches many card holders unprepared, and incapable of meeting repayments. Often they have no choice but to take a loan from one of the agencies, paying crippling interest rates.

A spokesman for the House of Fraser group of department stores reflected the prevailing, rather hard-hearted attitude among credit card companies, saying that it was "up to customers to decide how much they can afford."

He rejected the charge that shoppers were induced to spend money that they didn't have, claiming that it was not in the stores' interest to push

people beyond their limit, because this would only lead to the loss of their custom.

The spokesman said "the majority of customers are scrupulous," but according to figures quoted in a recent BBC documentary on the subject, 7 per cent of those borrowing are already two months behind on existing debt payments.

For the Access and Barclaycard merchants, however, such moral considerations appear to matter little. In the cold climate of financial analysis, delinquent loans are amply covered by the sky-high interest rates charged to debtors. As long as that remains the case, the credit card brokers will have no cause to change their hard-sell marketing policy.

The illusion of wealth provided by a credit card—especially at Christmas time—will continue to attract cash-strapped families, for whom this season of goodwill may mean many leaner seasons to follow.



## High hurdles face Turkey in bid for EC membership

ANKARA (Reuters). — Prime Minister Turgut Ozal plans to apply for Turkish membership in the European Community next year, but officials and diplomats anticipate a long and unpredictable road ahead.

Ozal's announcement to parliament during a budget debate Tuesday night came as no surprise, since he has suggested repeatedly in recent weeks that an application would come soon.

"Turkey will have to be careful on the timing of the application," a senior EC diplomat said. "The EC is faced with the problem of digesting Portugal and Spain. It will not be easy to handle a new application."

Greece, already an EC member, has made clear its objections to closer ties between the community and Turkey. Other potential stumbling blocks include the huge economic and bureaucratic adjustments which would be needed and concern among some states over Turkey's human rights record.

A senior Ozal adviser said Turkey accepted it would take a considerable time for the community to process the application and for negotiations on terms. Turkey has been an associate member since 1964, a status which foresees eventual full membership.

"The association agreement and the [1973] additional protocol to it have exhausted their potential for developing and improving relations with the EC," the adviser said.

He cited as examples \$600 million of aid to the country blocked by the EC after the 1980 military coup that is still not disbursed, restrictions on 54 per cent of Turkish exports to the EC and the community's rejection last month of free movement in member states for Turkish workers.

The adviser said Turkey foresaw the membership process following a timetable similar to that of Spain, which along with Portugal joined the community this year.

Madrid applied in July 1977 but did not join until January 1, with a transition process of up to 10 years to adjust fully to EC rules.

Turkey's population of 51 million, expected to reach 100 million in 30 years or so, would be an attractive, if an undeveloped, market for the community, the diplomat said.

## THE TAX BURDEN/Jeff Broide

### Recent developments

Here are some recent changes in tax rules:

**SNACKS AND GIFTS:** Money spent on light refreshments for customers or business associates, and served at the business premises, may be deducted at NIS 3 per person per day, but detailed records must be kept. The maximum amount allowed for tax purposes on business-related gifts is now NIS 30 per person per year. Gifts to employees, however, are limited to NIS 40 per employee for the year.

**RAISING THE ACCOUNTING RULES:** New tax regulations provide that on receipt of income through a third party or by direct bank transfer, a receipt can be issued once the recipient has been informed. The recipient may not have to issue a receipt at all if he maintains a double-entry accounting system, his books are audited by an outside accountant and the bank account, to which the receipt was transferred, forms part of the business's accounting system.

Another amendment permits the issue of a receipt on the delivery of the cheque to the business where the original receipt was received, off the business premises (e.g. by a messenger) but conditional on the cheque being crossed, that is "not negotiable" and bearer only, and the date of payment being indicated on the cheque. However, the receipt must be issued within one day of receipt by the messenger.

**RECORDING RECEIPTS:** On the subject of accounting, it is interesting to note that legal responsibility for the recording receipt of income falls squarely on the shoulders of the owner of a business. This is the law even if an employee errs in good faith or if the employer has no knowledge of such error, unless there is sufficient evidence that action was taken to ensure that employees knew and understood the instructions for recording receipt of monies.

**NEW DEPRECIATION RATES:** New depreciation rates for industrial enterprises, effective as of the current fiscal year, have been approved. The rules, based on two alternatives, are as follows:

a. Regular depreciation (fixed amount basis):	
Equipment used for:	
one shift	15%
two shifts	18%
three shifts	22%
b. Accelerated depreciation (reducing balance basis—only on equipment purchased in 1986):	
Equipment used for:	
one shift	20% of the balance for six years and the balance in the seventh
two shifts	24% of the balance for five years and the balance in the sixth
three shifts	30% of the balance for four years and the balance in the fifth

## WORLD BUSINESS IN BRIEF

### British executive charged with insider trading

LONDON (Reuters). — A court official here said yesterday that three charges alleging insider trading are being brought against a former executive of a leading British merchant bank.

Geoffrey Collier, a stockbroker executive who resigned from merchant bankers Morgan Grenfell in November, is due to appear before a London Magistrate's Court on February 23. The court official said the three charges concerned insider dealing in the shares of AE PLC, an engineering company.

Meanwhile, supervisors from most major Western securities markets gathered at an undisclosed location outside London for long-planned talks on how to police the fast-growing international trade in stocks and bonds. The British Department of Trade and Industry, which declined to give the venue of the meeting for reasons of privacy, said delegates would be discussing the "scope for cooperation in investigating and prosecuting [market] malpractices."

**GREEK ECONOMY MINISTER** Kostas Simitis yesterday hinted that the problems of the Greek economy were such that austerity measures may be needed beyond 1987 when the present belt-tightening program ends.

Simitis was speaking to reporters two days after European Community finance ministers approved a second instalment of a \$1.75 billion loan to help Greece with balance of payments difficulties.

"We haven't decided our economic policy for 1988, and it's been said before that our stabilization prog-

ramme will last for two years [1986 and 1987]," Simitis told reporters. "However, the problems won't disappear as if by magic next year and our policy in 1988 will have to face them."

He denied press reports that the EC ministers had made it a condition for approving the loan that Greece continue its austerity policy beyond 1987.

**BRAZILIAN TRADE UNIONS** plan an unprecedented general strike on Friday by up to 40 million workers to protest against price rises and to urge default on the country's \$103 billion foreign debt.

Union Organizers have been touring cities in loudspeaker vans calling on people to fight against low wages, starvation and the "abominable foreign debt." However, it is far from clear how many will stay away from work. An opinion poll in the newspaper *O Globo* said 61 per cent opposed the strike.

The main purpose of the one-day strike, organized by the country's two leading trade union federations, is to seek the removal of steep price increases decreed last month on drinks, cigarettes, cars, fuel and other items.

**AMID TRADE WAR FEARS** European Community officials led by European Commission President Jacques Delors meet in Brussels Friday with U.S. Secretary of State George Shultz.

EC officials are worried that the U.S. administration would not be able to hold the line against protectionist pressures in a hostile Congress, especially as the EC is often seen in Washington as opposing U.S. interests.

The current flashpoint between the world's two biggest trading blocs is an end-of-year deadline for settling U.S. demands for compensation for lost grain exports to Spain since it joined the trade group earlier this year.

## British Gas cited for its turgid prose

LONDON (Reuters). — The share prospectus of British Gas, privatised by the government this month amid massive publicity, has won the dubious accolade of a "Golden Bull Booby Prize for Gobbledygook"—turgid, nonsensical use of language.

The prize was awarded to the company at a London ceremony Tuesday by the National Consumer Council and the Plain English Campaign, which promotes the use by the government, business, lawyers and others of clear, straightforward English, and combats gobbledygook.

Among the most incomprehensible was a sentence in which applicants for British Gas shares were told that by signing the form they "agree that without prejudice to any other rights to which you may be entitled, you will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application."

Campaign co-ordinator Christie Maher asked: "How many millions of people who applied for shares actually understood what they were doing?"

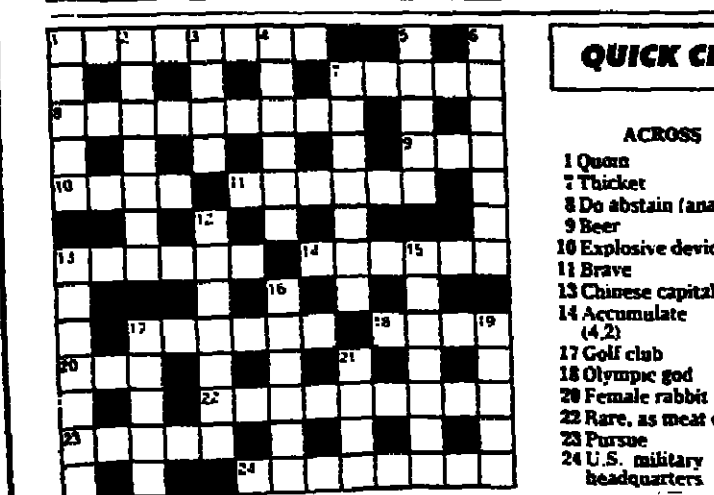
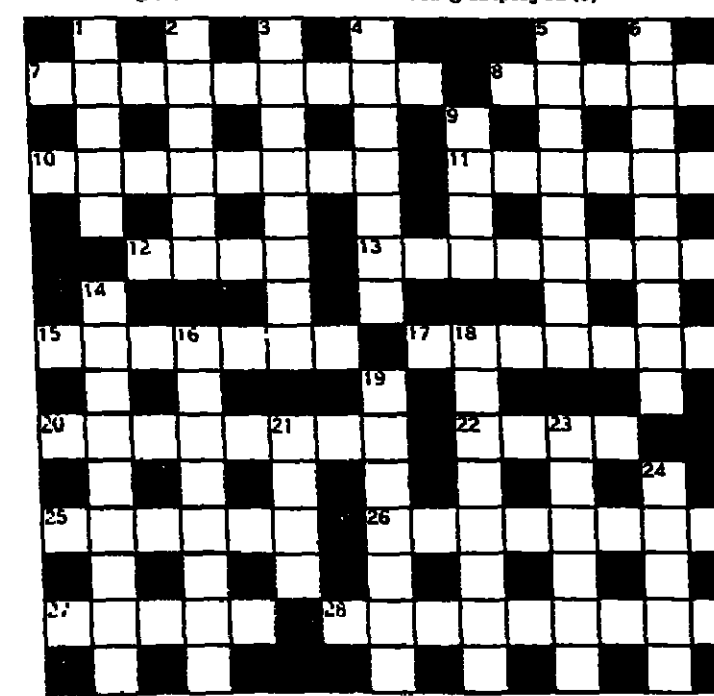
No British Gas representative was present to receive the award, a small golden bull mounted on a black plastic stand.

**PRICES.** — Annual inflation in the major non-Communist industrialized nations fell to its lowest level in 22 years in October, the Organization for Economic Cooperation and Development (OECD) said yesterday.

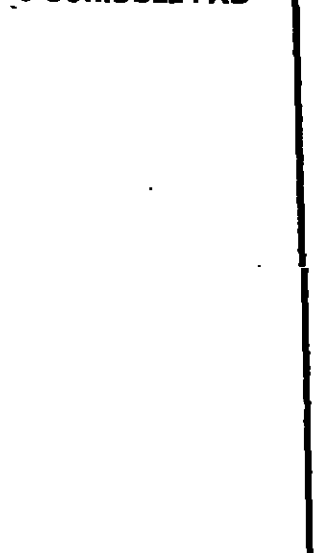
It said inflation in the 24 OECD members slowed to 2.3 per cent in the 12 months to October from 2.5 per cent in September.

## CROSSWORD

- ACROSS**
- Affliction of blacksmith who dropped a clanger (6,3)
  - Sally sounds destined to last a long time (5)
  - Romantic tie-up despite pronounced advice against it (4,4)
  - They don't mind their own business (6)
  - Biblical prophet against being garlanded (4)
  - Immense caper on a two-wheeled carriage (8)
  - 15 & 26 No hard-up quitter this overthrown last King of Rome (7,3,5)
  - Charge for keeping silver in reserve (7)
  - Complait caused by fruit repeating, it's said (8)
  - Eastender in church (4)
  - Barbed fish in South Dakota (6)
  - 26 See 15
  - 27 & 28 Punishable crime that is deceiving (5,9)
- DOWN**
- Returning as a bird in a Pacific archipelago (5)
  - A parliamentarian before being a famous physicist (6)
  - Toast in Italian port (8)
  - He's got a way with him, although a prisoner (7)
  - Dad the boss? Yes, as a rule (8)
  - Charge on paper (9)
  - Painful emotion of Greek god at Grangemouth (4)
  - Conciliator working behind the scenes? (4,2,3)
  - Fleet Street holds the key to be most expeditious (8)
  - Ridiculous attempt to get out of a garment (8)
  - Call to mind an Ancient Briton on the river (7)
  - 21 Extreme objectives (4)
  - 23 London highway along the coast (6)
  - 24 Pondered over a large number being employed (5)

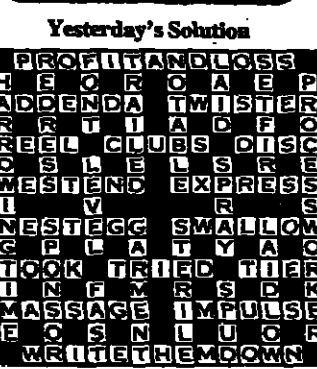


## SCRIBBLE PAD



**YESTERDAY'S SOLUTION**

ACROSS: 1 Enough, 4 Smiff, 8 Pacio, 12 Creep, 16 Roister, 17 Grog, 21 Rill, 23 Rambler, 25 Yiddish, 26 Union, 27 Range, 28 Beggar. DOWN: 1 Expert, 2 Outside, 3 Gloating, 4 Suet, 5 Upper, 6 Forage, 7 Scurf, 13 Titmouse, 16 Calling, 17 Prayer, 19 Prahu, 20 Kroner, 22 Laden, 24 Lime.



**QUICK SOLUTION**

ACROSS: 1 Enough, 4 Smiff, 8 Pacio, 12 Creep, 16 Roister, 17 Grog, 21 Rill, 23 Rambler, 25 Yiddish, 26 Union, 27 Range, 28 Beggar. DOWN: 1 Expert, 2 Outside, 3 Gloating, 4 Suet, 5 Upper, 6 Forage, 7 Scurf, 13 Titmouse, 16 Calling, 17 Prayer, 19 Prahu, 20 Kroner, 22 Laden, 24 Lime.

- ACROSS**
- Quorn
  - Thicket
  - Do abstain (anag.)
  - Beer
  - Explosive device
  - Brave
  - Chinese capital
  - Accumulate money (4,2)
  - Golf club
  - Olympic god
  - Female rabbit
  - Rare, as meat cooked
  - Pursue
  - U.S. military headquarters
- DOWN**
- Skewered meat dish
  - Muslim veil
  - Leau
  - Almost
  - Sprinkler
  - Grow
  - Secrete
  - Old
  - Foretell
  - Soon
  - Sewing implement
  - Postpone
  - Hank of wool
  - Brisk movement

## GENERAL ASSISTANCE

### EMERGENCY PHARMACIES

Jerusalem: Azzi, 15 Aza, 638262; Belsam, Salah Eddin, 272815; Shu'afat, Shu'afat Road, 610106; Dar Aldawa, Harod's Gate, 292059.  
Tel Aviv: Lev Har'el, 68 Ahab Ha'am, 613862; Kupat Holim Meuhedet, 15 Sprinkler, 265201.  
Haifa: Kupat Holim Laumi, 9 Smilansky, 38063.  
Haifa: Hanassi, 33 Hanassi, 333312.

### DUTY HOSPITALS

Jerusalem: Hadasah Ein Kerem (pediatrics, obstetrics, gynecology, Shu'afat, Shu'afat Road, 610106; Dar Aldawa, Harod's Gate, 292059.  
Tel Aviv: Roshan (pediatrics), Ichilov (internal, surgery).  
Haifa: Laniado

### POLICE 100

Dial 100 in most parts of the country. In Tiberias dial 524444, Kiryat Shmona 4444.

### FIRE 102

In emergencies dial 102. Otherwise, number of your local station is in the front of the phone directory.

### FIRST AID 101

In emergencies dial 101 in most parts of the country. In addition:

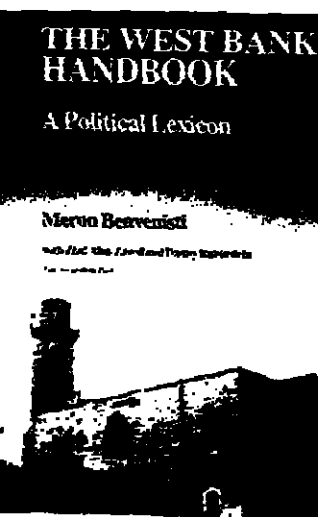
Ashdod 41333 Jerusalem 523133  
Ashdod 22333 Kiryat Shmona 44344  
Bat Yam 751111 Kiryat Shmona 44344  
Beersheva 74767 Nahariya 923333  
Carmiel 988555 Netanya 23333  
Dan Region 781111 Patah Tzvi 923111  
Eilat 7233 Rehovot 481333  
Hadera 22333 Rishon LeZion 942333  
Haifa 512233 Safed 30333  
Holon 803133 Tel Aviv 240111  
Holon 803133 Tiberias 30111  
Holon 803133 Tel Aviv 240111  
Mobile intensive service in the area, around the clock.  
"Ezer" — Emotional First Aid, Tel. Jerusalem 27171, Tel Aviv 261111  
Child Welfare 02-201131, Haifa 672222, Beersheva 418111, Netanya 35315.  
Rape Crisis Centre (24 hours), for help call Tel Aviv 234819, Jerusalem — 245554, and Haifa 352611.  
Jerusalem Institute for Drug Problems, Tel. 663828, 663902, 14 Bethlehem Rd.  
The National Poison Control Centre at Rambam Hospital, phone (04) 528208, for emergency calls, 24 hours a day, for information in case of poisoning.  
Kupat Holim Information Centre Tel. 03-433300, 433500 Sunday-Thursday, 8 a.m. to 8 p.m. Friday 8 a.m. to 3 p.m.

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## MARKET PLACE

PINHAS LANDAU

## Pavlov's bourse

The closing of the stock exchange yesterday was a predictable reaction to the mass of selling orders that were thrown at it. But it was also unnecessary, or at least done for the wrong reasons.

It is interesting to speculate what triggered the sudden panic. After all, reports of the content of the tax reform, including the probability of it containing some kind of capital gains tax having been running since late last week. Yet, as this column noted on Tuesday, the market's reaction had been unusually subdued. Normally, the first whisper is enough to set the avalanche in motion; this time, it appeared, nothing was happening.

On Tuesday the market actually recovered slightly from its recent losses. What happened overnight to change things? One possibility is that the more extensive coverage of the topic on TV in the main "Mabat" news, as well as on radio and in the press, focussed much more attention on the issue and set things in motion. Another is that what had been unconfirmed and uncorroborated reports became something quite different after the finance minister spoke to Likud ministers and explained the content of the Treasury's plans to them. Maybe they triggered the avalanche? It would be nice to know, but we probably never shall.

In any event we were back to the well-trodden path of a market panic—the capital-gains-tax crash syndrome.

This scenario has been run through so often over the years, that you would think that everyone knows their lines off pat. The exchange management gets on the phone to the Treasury, the latter trots out an announcement denying any evil intent and the exchange reopens, lurches down and up for a few days, and then gets back to normal.

This time promises to be different. The first sign of that was the Treasury's tardiness in bringing out a statement. The second was the content of the statement itself. Instead of the usual total denial, which basically says the finance minister solemnly swears never to harm a hair on the head of any speculator, this one said there would be no tax on any existing forms of savings including securities. Full stop. What about future ones? The plain implication was that tax was on the agenda and would be brought in to take effect from a certain date, on all new savings schemes and presumably share transactions from that time.

Will this clarification stop the panic? The odds are that it won't, and past experience indicates that the urge to sell first and ask questions later will push many people to try and sell. Other, cooler heads, will take a ride on this panic and throw large sell orders onto the market to ensure that individual issues are marked "sellers only" because of huge imbalances between buying and selling orders. If enough issues are subject to this treatment—as happened yesterday—the market will not be able to function. This is the proven method of the market manipulators to exert pressure on the government, by stage managing a "collapse," to force a total capitulation.

These tactics, and this reality, is why the closure yesterday was a mistake. Everyone with any experience of the market knows the capital gains tax syndrome, and all experience shows it is a disease that causes violent spasms but soon passes. It has become a fact of life on the exchange. If the exchange management thinks it should protect its charges, its sentiments are misplaced. The stock exchange investor of 1986 should be left open as often as possible to the vagaries of the market, and not mollycoddled. The American investor managed to live with a tax reform process for nearly a year, from draft to final passage, without the exchange shutting.

It, conversely, the exchange really wants to maximize the degree of protection it currently extends; then it should shut down from now until the new economic plan, in all its details, is known and has passed the cabinet and Knesset. After all, the capital gains tax (or turnover tax, if that is what it turns out to be) is just one element of a much bigger programme. If the whole economy is to be reformed, how can investors make rational decisions?

But if that is nonsense—as most everyone would agree—then so is shutting, for one day, because of rumours, and unconfirmed reports. How often do people need reassuring that the government is not going to retroactively change the laws? Perhaps weekly trading shouldn't start on Sundays without an all clear from the Treasury—and maybe the Defence Ministry could issue a military prognosis as well, to reassure investors on that score?

**CATALOGUE.**—Marks and Spencer is considering plans for a full-scale mail order service. Results of a just-completed marketing test on 200,000 of its credit card holders, were reportedly encouraging rather than exciting, but the test service did not offer a large range of Marks and Spencer products, and the November period is traditionally quiet for sales.

Marks and Spencer is now likely to produce a faster catalogue for a wider audience, but it has not yet been announced whether the service will be available to customers overseas.

## Treasury calms fears

# Stock market shuts for one day on a huge wave of sell orders

By PINHAS LANDAU  
Post Finance Reporter

The Tel Aviv Stock Exchange reopens for trading in bonds and shares today after a one-day closure ordered by the exchange management after media reports of possible taxation on trading or profits sparked a huge selling wave.

Exchange requests for Treasury clarification of its policy intentions prompted an official statement denying any intent to tax existing financial assets. But the Treasury's response arrived too late to allow investors to change orders placed that morning.

The TASE thus said that all orders placed before noon yesterday, for any orders—including those placed prior to yesterday—were void. It added that new instructions would have to be given by anyone wishing to buy or sell. It also said it had exercised its authority to allow mutual funds to refuse to redeem units offered to it by their holders.

As a result, no transactions of any sort took place yesterday.

The Treasury spokesman, responding to the media reports, said that "no tax would be levied, nor would any change take place in the original conditions pertaining to all existing forms of investments, including savings schemes, provident funds, advanced-training funds, and all securities registered for trade on the exchange, and so forth."

Deputy Finance Minister Adi Amori, who has responsibility for the capital markets, added that the subject had not been discussed in the Treasury at all.

The responses by the Treasury and Amori, however, gave rise to further speculation among analysts, since they did not rule out the possibility of a turnover tax on exchange transactions or a capital gains tax on new financial instruments at some future date. If a tax on new financial instruments were implemented, it would create a premium value on existing securities and would therefore be a reason for their price to rise, rather than fall.

The refusal of any Treasury officials to give information regarding any such future taxes strengthened speculation that the tax reform measures under consideration do in fact include moves in this direction.

Former TASE chairman Meir Heth, in an interview with *The Jerusalem Post*, defended the exchange's decision, saying that "the reports were driving the public mad, and it was necessary to clarify the situation." Once the government's intentions regarding existing investments were clear, Heth maintained, normal trading could resume, and any decisions could be responded to as the need arose.

The TASE is a self-regulating body, and its rules allow its management to stop trading for one day at its discretion, although it is obliged to inform the Treasury. A second successive day without trading, however, would require formal Treasury authorization.

## Farm output fell 2.5% in year

By ANDY COURT

Israel's farmers produced 2.5 per cent less in the past agricultural year than the year before, according to tentative figures released Tuesday by the Central Bureau of Statistics.

Crop production declined 3 per cent, largely as a result of a 30 per cent plunge in the cotton harvest and a 9 per cent drop in citrus fruits grown. Flower growers, however, produced 13 per cent more than the previous year.

Livestock and animal products also decreased by about 2.5 per cent, the single biggest decrease being a 13 per cent drop in egg production.

The net domestic product—the difference between what the farmers must put into their businesses, not including salaries and interest on loans, and what they get as a result—declined 5 per cent. By comparison, in the previous year the net product had increased by 7.5 per cent.

"All in all, the farmers did less this year," said Nahum Kol of the statistics bureau's agriculture department. "But in agriculture you have to be careful about just looking at one year because one year can be good and another year can be bad."

Kol said the figures, for the 12 months through last September 30, were based on the most complete data available. Final figures will be available early next year.

## Vered Hagalil ships its first chocolate to U.S.

SAFAD (Item).—Vered Hagalil, the chocolate maker that has thrown down the gauntlet in a bid to capture a third of the local chocolate sales, began exports to the U.S. this week.

The first three containers—a total of 50 tons of chocolate—left the company's newly-opened plant here.

Although the company aims to capture a chunk of the domestic market for chocolate, where Elite Ltd. now dominates the scene, Vered Hagalil executives told a press conference yesterday that exports would take top priority.

The company has been forecasting first-year sales to the U.S. of some \$2 million, with exports to that reaching \$3 million in each of the subsequent two years. But a huge order, from an unidentified buyer, has changed all that.

The order, which will boost monthly production from 50 tons, as planned to 100 tons, starting in January, will probably bring sales in the first year to \$3.5m.

Because Vered Hagalil is giving clear preference to overseas sales, increased exports are likely to hurt development of the Israeli market.

Vered Hagalil products have already begun to make a limited appearance on store shelves in

Israel, under the Intermezzo name, but sales won't reach full levels until autumn 1987.

The company is now marketing its products through its own network, limiting itself to merchants with air conditioned stores, which can handle the chocolate properly. Vered Hagalil officials admitted, however, that a certain amount had leaked through their marketing system and could be found in kiosks.

In export markets, Vered Hagalil's products will be sold under the name "Cortine"—a label that received a stamp of approval from a Tel Aviv University marketing expert as being appealing to the American consumer—and will retail for a steep \$1.29 a bar.

Vered Hagalil General Manager Ami Dolev said that under current conditions it was not profitable to export and that more money could be made in the local market. But, he said, the company was taking a long-term view, namely that the government would reconsider its export policy and resume incentive payments to manufacturers.

He said for many other manufacturers exports were no longer profitable but that they were continuing their overseas sales to meet contract commitments.

## Ha'argaz, Koor in bid for Argentine building tender

By KEN SCHACHTER  
For The Jerusalem Post

TEL AVIV. — Ha'argaz Ltd. and Koor Industries Ltd. are the powers behind an Israeli syndicate seeking to win a \$25 million contract to supply 5,000 50-square-metre prefabricated houses to the Argentine government, officials of Ha'argaz's Zrifin Wood and Metal Industries Ltd. unit said yesterday.

Also bidding for the project are companies from Sweden and Italy, they added.

Complicating the deal is Argentina's shortage of foreign currency, which may require it to send beef in partial payment of the contract.

A decision on the bid is expected in the coming weeks.

Officials also reported that Zrifin, which produces furniture, crates and prefabricated buildings, posted net sales of \$11.8m. for 1986. Exports accounted for \$1m. in sales. They cited no year-on-year figures.

Retail furniture sales through Ha'argaz's Arden retail chain reached \$2.5m. said Yehuda Barkai, managing director. Furniture production began in 1983 with sales of just \$15,000, officials said.

Officials also said work would be completed in January on a \$3m. project to supply all the furniture and woodwork for new construction at the Hebrew Union College campus in Jerusalem.

**ENGLISH LINK.**—A facsimile service between Israel and Britain, which allows the transmission of documents, drawings and graphics, began operating this week.

## Hoteliers score Sharir on hike in hotel rates

By GREER FAY CASHMAN  
Jerusalem Post Reporter

Jerusalem hoteliers reacted angrily yesterday to Tourism Minister Avraham Sharir's criticism this week of the 10 per cent increase in hotel tariffs for foreign individual tourists.

"Are you asking us to give our services gratis?" the Jerusalem Hotel Association asked Sharir in a sharply-worded cable.

Most tourists come in organized groups and pay less than 50 per cent of the official rate. The price increase for individual tourists, who represent only a small fraction of visitors to Jerusalem, according to JHA chairman Yehuda Greenbaum, was designed to partially offset hotel losses.

JHA members are expected to take Sharir to task when he speaks today at the closing session of the Israel Hotel Association's national convention in Tel Aviv.

## Complaint against IBA union chief

A formal complaint against Ze'ev Lebel, chairman of the Israel Broadcasting Authority workers' union, has been filed with the control commission of the Jerusalem Labour Council. The complaint, signed by the IBA management, charges that Lebel was directly responsible for the walkout November 29.

## ISRAELI DATA: U.S.

### ISRAEL MONEY MARKETS

**SHEKEL INTEREST RATES**  
PRIME BORROWING RATE: 1.58% per month  
Unlinked Deposit (Annual Rates)

	Last Updated	Term	Period 7-Day	Period 30-Day
LEUMI	12/11	7-18.00%	8-18.50%	8-18.75%
HAPOLIM	12/11	10-16.50%	11-17.50%	13-18.00%
DISCANT	12/11	10-16.00%	10-16.50%	14-20%
MIZRAH	12/11	8-17%	8-17.50%	8-19.50%
FIRST INTL	12/11	10-16%	11-17.20%	13-19.50%

Rates vary according to size of deposit.  
Deposits demand deposit (payable daily interest)  
Period: fixed term deposit available from 7 to 59 days.

### PATAH — FOREIGN CURRENCY DEPOSIT RATES (December 10)

	MINIMUM DEP	3-MONTHS	6-MONTHS	12-MONTHS
USD \$100,000	5.375	5.375	5.375	5.375
SGD 100,000 pounds	9.750	9.750	9.750	9.750
DMK 100,000 marks	3.875	3.875	3.875	3.875
SFR 100,000 francs	3.250	3.250	3.250	3.250
YEN 100,000 yen	2.875	2.875	2.875	2.875

Rates vary according to size of deposit and are subject to change.

### SHEKEL FOREIGN EXCHANGE RATES (December 10)

	CHEQUES AND TRANSFERS	BANKNOTES	Rep. Rates
U.S. Dollar	1.4540	1.5030	1.4942
U.S.A. Dollar	1.4271	1.5013	1.4933
Deutsche Mark	0.7349	0.7441	0.7390
Pound Sterling	2.1143	2.1409	2.1269
French Franc	0.2240	0.2282	0.2254
Japanese Yen	0.0102	0.0216	0.0107
Dutch Florin	0.0493	0.0575	0.0497
Swiss Franc	0.8773	0.8883	0.8830
Swedish Krona	0.2127	0.2154	0.2122
Norwegian Krone	0.1957	0.1981	0.1966
Danish Krone	0.1345	0.1370	0.1357
Finnish Mark	0.2988	0.3035	0.2931
Canadian Dollar	1.7608	1.7903	1.7511
Australian Dollar	0.9682	0.9803	0.9755
S. African Rand	0.6650	0.6733	0.6632
Belgian Franc	0.3511	0.3555	0.3436
Austrian Shilling	0.0426	0.0467	0.0417
Italian Lira	0.0058	0.0061	0.0058
Jordanian Dinar	—	—	4.07
Egyptian Pound	—	—	0.74
ECU	1.5296	1.5487	1.5393

SUPPLIED BY BANK LEUMI

### EUROPEAN FINANCIAL MARKETS

(December 10)  
**PRECIOUS METALS**  
**GOLD:** LONDON A.M. FIX 387.25 P.M. FIX 391.50  
PARIS NOON FIX 386.73 ZURICH P.M. 392.25  
**SILVER:** LONDON FIX 532.00  
**PLATINUM:** LONDON P.M. 480.80  
**PALLADIUM:** LONDON P.M. 117.50

### FOREIGN CURRENCY CROSS RATES (London 15.30GMT)

	SPOT	2 MTHS	3 MTHS	6 MTHS
DEUTSCHMARK	2.0090/05	38/33	58/54	110/100
POUND STERLING	1.4250/10	120/118	180/178	368/362
SWISS FRANC	1.6800/10	56/51	76/73	180/150
JAPANESE YEN	162.65/75	52/50	72/70	137/132
FRENCH FRANC	6.6000/10	300/325	500/540	860/910
ITALIAN LIRA	1399.00/00	1075/1150	1575/1650	3050/32
DUTCH GULDEN	2.2710/20	7/4	10/7	22/25
BELGIAN FRANC	41.8000/15	7.5/5.5	13/16	30/35
DANISH KRONER	2.5875/00	370/420	600/650	1350/1450
S. AFRICAN RAND	0.4665/71	30/33	40/33	80/70
EUROPEAN CURRENCY UNIT	1.0358/63	34/30	51/47	88/80
FINNISH MARK	4.9350/70	550/590	850/900	1725/1825
AUSTRALIAN DOLLAR	0.6531/38	86/83	123/118	213/207
NORWEGIAN KRONER	7.5500/20	1450/1490	2060/2100	4050/4110

Formula for determining forward rates:  
high/low (eg. 220/210) — deduct from spot price.  
low/high (eg. 210/220) — add to spot price.

### NEW YORK FINANCIAL MARKETS

(December 10)  
**U.S. MONEY RATES**  
Prime rate 7.50%; Broker Loan 7.25%; NY Euros 3 months 6 1/4% — 1/4%; Fed Funds late 5 1/4% — 1/4%

### NEW YORK FOREIGN EXCHANGE

	DMK	SFR	STG	YEN	CAN
CLOSING	2.0185/95	1.6818/25	1.4255/75	182.60/65	1.3763/68
OPENING	2.0190/00	1.6880/05	1.4255/50	182.85/95	1.3783/86
LATEST	2.0080/85	1.6795/05	1.4255/65	182.45/50	1.3793/96

**Comment**  
The dollar was stuck in a tight range yesterday, hovering just above the day's lows. As on Tuesday, it came under pressure after failing to make ground above 2.02 Deutschmarks. A record third-quarter U.S. trade deficit was a mild negative, but traders are awaiting today's November U.S. retail sales and Friday's producer prices for a fresher reading of the economy.

### ISRAELI STOCKS

#### TRADED IN NEW YORK:

##### NYSE AND ASE

	Last	Prev. Close	High	Low	Vol ('00s)
Alliance	2 1/4	2 1/4	2 1/4	15 1/4	47
Am Int'l Pap	1 1/2	1 1/2	1 1/2	1 1/2	4
Ampal	1 1/4	1 1/4	1 1/4	1 1/4	40
Elcoteq	2	2	2	2	436
Etz Lavud	9	9	9	9	—
Laser Int'l	12 1/2	12 1/2	12 1/2	11 1/4	70

##### Over the counter

	last	bid	ask	last	bid	ask
Anyt	—	6 1/4	7	—	—	—
Bank Leumi	—	21 1/2	23 1/2	Interpharm	—	4 3/4
Elbit	7 1/4	7 1/4	7 1/4	Orotech	3 1/2	3 1/2
ECI Tel.	2 1/4	2 1/4	2 1/4	Rada	—	3 1/2
Elron	5	5	5 1/2	Scitech	3 1/4	3 1/4
Fibronics	6	5 1/2	6	Taro-vit	—	2 1/2
IDB Bank	—	48	52	Tevapharm	—	6 1/4
IS	3 1/4	3 1/4	3 1/2	SPI	2 1/4	2 1/4

### WALL STREET Closing Prices

	Dow Jones Indices	NYSE Highest Volume
IND	1,932.09 +15.19	DET ED 17 1/4 -3/4
TRANS	845.07 +3.59	AIT 27 1/2 +1/4
UTILS	212.17 +0.88	COMM PSYC 29 1/2 -3/4
65 STKS	757.92 +4.73	CONS PWR 16 1/4 +7/8
NYSE COMP	143.42 +0.85	IBM 129 1/2 +1 1/2
NYSE INDS	165.10 -1.05	EAST KODAK 69 1/4 +1 1/2
S&P 100 INDEX	238.70 -4.78	US X CP 21 1/4 UNCH
S-P COMPOSITE	250.88 +1.51	AM EXPRESS 71 +7/8
AMEX INDEX	268.47 +1.11	GEN MOTORS 71 +7/8
		SCHLUMBER 34 1/4 +7/8

**Statistics**  
NYSE VOL 139,333,650 STOCKS UP 863 DOWN 708  
NASDAQ VOL 116,339,400 (Dec. 9) STOCKS UP 874 DOWN 1,366

**Comment**  
Strength in blue chips and the market's apparent resolve not to sell off, yesterday helped to trigger some buy programs that propelled the broad market higher. Volume, however, remained light as investors await economic news late this week, that may help determine interest rate policy.  
IBM jumped 1 1/2% to 71. Kodak 1 1/2% to 69 and General Motors 7/8 to 71 1/4. Schlumberger rose one to 34 1/4.

### OVERSEAS FINANCIAL DATA PROVIDED BY REUTERS MONITOR

### Ministry of Education and Culture Services Department. Tender 24/12.86

Price bids are invited for the transporting of teachers from East Jerusalem to Ayn Rafa by taxis or minibuses.

Details from Ms. Cila Mahlab, Tenders and Purchasing Dept., 34 Shvital Yisrael, Pavilion A, Jerusalem, Tel. 02-278218.

Bids must be submitted by Wednesday, December 24, 1986 (12 noon). They should be placed in the tenders box in the Tenders and Purchasing Dept.

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With the start of tax payers by the at the amounts appa act the original, received on redemptio

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ER FIRE: The tax, uting an offensive, the agents (transi their clients over a diately or over a. The tax authorities,

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orities caught the ap- following negligence: authorities feel a sea worked out. If an is tax returns for the is accepted without in- urance company but adjustment will not be ne on unpaid prom 190(a). n effect, provide urance agents may m the insurance comp r detailed current ac

ish Gas 1 for its id prose

l (Reuter). — The s of British Gas, the vernment this month ublicity, has won the olade of a "Golden ize for Gobbledygoo asensual use of langa se was awarded to the London ceremony Tl English Cam motes the use by the business, layen clear, straightforward combats gobbledygoo the most incomprete nce in which apic Gas shares were lall; the form they "agat rejudice to any oden on may be entitled, as lified to exercise any on for innocent min at any time after ar application." lga co-organizer Ch ked: "How many ill who applied for a understood what they

ish Gas representative receive the award, as it mounted on a black

Annual inflation in on-Communist minis on fell to its lowest le in October, the Org Economic Cooperation ment (OECD) said

inflation in the 24th slowed to 2.3 per onths to October but in September.

k

Danny Rubinstein

economic institutions elated to the West Bank indispensable practica ges.

REPORT NIS 10/85

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## U.S. trade deficit widened to \$37.7b. in third quarter

WASHINGTON (Reuter). — The U.S. merchandise trade deficit on a balance-of-payments basis was a record \$37.67 billion in the third quarter, the Commerce Department said yesterday.

The record trade shortfall came after two successive quarters of smaller deficits. The deficit was a revised \$35.67b. in the second quarter and \$34.46b. in the first three months of 1986.

The third-quarter deficit reflected a much larger gain in imports than the increase in exports. Imports rose \$2.17b., or 2 per cent, to a record \$92.99b, while exports increased only \$1.69 billion to \$55.32b.



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# Caught between double standards

Harry J. Lipkin

THE PRESENT crisis about arms shipments to Iran and the linkage with the Contras in Nicaragua may be only the beginning of a long conflict between pro-Iranian and pro-Arab factions in the U.S., with the Jews and Israel caught in between and blamed for everything by both sides.

There are many disturbing signs that the Iranian affair bodes no good for the Jews. Although nobody is saying this publicly, a significant number of American policy makers, particularly among those who support aid to the Contras, may well believe that an Iranian victory in the Gulf War would be good for the United States. The Arabs are afraid that Khomeini's Islamic revolution will sweep through the Arab world. Israel has good reasons to be afraid also. But why would this be bad for the U.S.?

There are many reasons why certain elements in the Reagan administration would prefer to deal with Khomeini and his successors rather than with the Arabs. The Islamic fighters in Afghanistan, who receive arms from the U.S., are the only forces directly fighting the Soviet Red Army. Islamic fundamentalism is no threat to the U.S., which has a negligible Islamic population. But it can be a serious nuisance to the Russians and Chinese, who have Moslem populations in sensitive border areas. Sending arms to Khomeini and his Islamic fighters seems quite natural to anti-Communist Americans, even if it antagonizes the Arabs.

No one knows how long the Saudi dynasty will last. It is better to have Khomeini in the Saudi oil fields than the Russians or their proxies in some future leftist revolution. Khomeini will need to sell the oil and may even give the West a better deal than the Saudis.

Many anti-Communist Americans place high priority on supporting a strong Iranian army whose main job is preventing the Soviets from marching across Iran into the oil fields. This was a central aim of U.S. policy during the days of the Shah. The Shah is gone, but Iran is still there and it is good for the U.S. to do business with whatever government is running the country.

Iran even with Khomeini prefers the CIA to the KGB. Khomeini is anti-Communist and is reported to have used CIA information on KGB agents and communists in Iran to get rid of the KGB and the communist

Tudeh party in the early days of the revolution. There still must be many open channels of communication with the CIA remaining from the old days.

Nobody really knows what will happen tomorrow in Iran. Some analyses by so-called Mideast experts of Iran after Khomeini may seem reasonable. But none of these experts had ever heard of Nasser, Kassein and Gaddafi before they toppled the regimes in Egypt, Iraq and Libya. If an equally unknown Iranian colonel is waiting for his opportunity, we can be sure that none of these experts have heard of him.

IN THE U.S., anti-Communism and anti-Semitism confuse the issues in the conflict between pro-Iranian and pro-Arab elements concerned about "retaining influence in the Arab world." Many pro-Iran extremists are not interested in the welfare of the Iranian people but support any regime that is anti-Communist and ready to fight the Russians. Many pro-Arab extremists are not interested in the welfare of the Arab people but support any regime that is anti-Communist and ready to fight the Russians. These anti-Communists and anti-Semites never state such aims openly, but cover them up with double-talk about democracy, racism, self-determination and all the other slogans common in UN debates.

Anti-Communist extremists tend to support any forces "fighting Communism" regardless of their moral values, attitudes toward human rights, support of terrorism or any realistic evaluation of their strength. They support corrupt, oppressive governments which are eventually overthrown, as in Cuba, Nicaragua and the Philippines, as well as "Bay of Pigs" type operations which are doomed to failure from the outset.

Anti-Semitic extremists have generally managed to hide their true identity behind a facade of pro-Arab sentiments or anti-Zionism. But a closer investigation reveals their true feeling. Francophiles are motivated by a sincere interest in the French language, history, literature and culture. The language, history, literature and culture of the Arabs and Islam have a comparable richness. But many active American support-

ters of the Arab cause show no interest in anything Arab except their conflict with Israel. This has recently been pointed out by Arab intellectuals in America, who deplore the fact that so many American supporters of the Arab cause seem to be motivated more by a hatred of the Jews and Israel than by a real desire to help the peoples of the Arab world. They assert that this anti-Semitism has completely distorted U.S. policy toward the Arab world and prevented the U.S. from giving the Arabs the kind of assistance they really need and that the U.S. can provide.

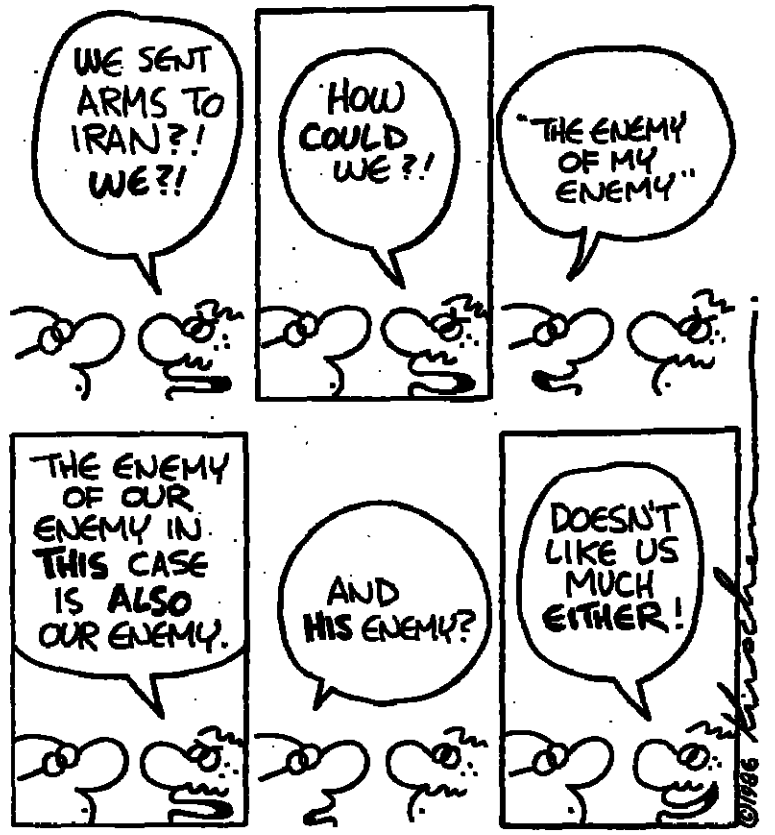
Evidence for a strong anti-Israel bias showed up in the Lebanese war, when criticism of Israel was exaggerated out of all proportion. There are still references in the media to the Israeli responsibility for the massacres at Sabra and Shatilla. But Elie Hobeika, the Lebanese commander who directed the massacres, is portrayed in supposedly objective newspapers like *The New York Times* as a "moderate, pro-Syrian Christian leader," and his role in the massacres is never mentioned. Very little attention is paid to the massacres of Palestinians today by the Shi'ites.

Every hint that Israel may have had some connection with the funneling of money to the Contras gets prime time on U.S. TV and much space in the media. There are also indications that the Saudis played a big role in these deals as well. But judging from past experience, any Saudi connection will not be given much space in the media, and any evidence will be swept under the rug by the powerful pro-Saudi lobby in the U.S. This continuing double standard in media reporting on Israel and the Arabs reflects a very disturbing anti-Semitic bias.

These forces are a serious threat to the efforts of those sincerely interested in the peaceful development of the Middle East and a just solution of its difficult problems. The one great breakthrough in this direction by Americans, Israelis and Arabs working together was the Israeli-Egyptian peace treaty. This three-way collaboration must be strengthened, in order to be able to fight off the attacks of the anti-Communist and anti-Semitic extremists who have no interest in the welfare of the people of the Middle East.

The writer is a member of the department of nuclear physics at the Weizmann Institute.

## Dry Bones



## READERS' LETTERS

### WARNING ABOUT CONTRAS

To the Editor of The Jerusalem Post

Sir, - With regard to the Contra affair in Central America, Israel should keep in mind the following when considering participation therein:

Only President Reagan and his administration favour the Contras without reservation. The Congress split roughly 50:50 on Contra aid, which barely passed and today would probably fail. Some polls show as high as 75 per cent of the American people opposed to the Contras.

Included in the latter are many of us who feel that the Contras are a terrorist organization akin to the PLO, are repelled by their make-up and methods, are totally opposed to government support of such an immoral and illegal operation, and are not well-disposed to others who do.

Accordingly, Israel should keep in mind that blindly doing Reagan's bidding could have negative repercussions in days to come.

DAVID B. PENDLEY  
Pensacola, Florida.

### LEARNING HEBREW

To the Editor of The Jerusalem Post

Sir, - I am a new immigrant and I ask: how does a new immigrant learn basic Hebrew and work at the same time?

I work from 8:00 a.m. until 5:30 p.m., five days a week, but all the ulpanim in the Tel Aviv area hold classes four days a week, and start at 4:40 p.m. I am at present trying to study on a four-nights a week basis. These classes start at 4 p.m., but I can't arrive until 6:30 p.m., after the break. Thus, I miss half a lesson each day.

Some nights, after a nine-hour workday, it is a major effort for me to go to class, but I force myself to do so. And I am not the only one in my class who has this problem and makes the effort.

Don't the government and privately-run ulpanim realize that a large number of people who attend evening classes work during the day, and that there are those who find it very difficult to get time off from work four days a week?

I have been trying for six months to find classes that are two nights a week or that start later. When I enquire, I am told that 4:40 p.m. is the starting time and that it is my problem.

It is no wonder, under these circumstances, that 60 per cent of new immigrants leave within the first year of their arrival.

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## The cost of occupation

SUDDENLY, it seemed we were back in the bad old days when the Security Council would routinely flay Israel for merely protecting itself from marauders and terrorists; when the U.S. would, if not actually support such condemnations, at least abstain in the votes so as to allow them to pass, and when this country's government would brush it all off as proof that the world is just hopelessly against us.

The Foreign Ministry spokesman professed not to have been surprised by the council's lopsided 14-0 vote Monday night in favour of a resolution deploring the killing and wounding of "defenceless students" by Israeli troops in the West Bank this week. The resolution, said the ministry spokesman, was typical of the council's attitude "which did not contribute in the past and is not contributing presently to the struggle against terrorism." But the spokesman had only the mildest rebuke for the U.S., which let the resolution pass by its abstention.

It had been a mistake, he suggested, without bothering to explain what sort of mistake.

Yet why did the U.S. refrain this time from exercising its right of veto, which has been a regular instrument of American diplomacy at the UN during the Reagan years? Was it just a tactical means of appeasing the Arabs who had been aroused by the arms deal with Iran? Or was it perhaps also an indirect reminder that even this most friendly U.S. administration, committed as it is to the fight against terrorism, does not view the occupied territories of the West Bank and the Gaza Strip as necessarily Israel's rightful possessions?

After nearly 20 years of occupation a very large number - if not a majority - of Israelis have come to consider the land between the sea and the river as naturally Israel's. The present government undertook not to force any unilateral change in the political status of the territories during its lifetime, but the process of annexation on the ground goes on all the time.

While, however, the territories are being creepingly integrated into democratic Israel's body politic, the 1,200,000 Palestinians who inhabit them remain subject to the harsh and sometimes brutal realities of occupation.

Defence Minister Yitzhak Rabin does not seem overly disturbed by the contradiction. Mr. Rabin is not among those who believe that a political settlement will emerge from the barrel of the gun. He is determined to keep suppressing PLO terrorism until such time as conditions are created for a dialogue between Israel, Jordan and the great moderate bulk of the Palestinians in Judea, Samaria and Gaza.

On the face of it, this is a laudable ambition. But the defence minister must also know that the territories can never be made peaceful without a peaceful settlement. Continued occupation breeds not quiescence and moderation but frustration and resistance. While it is schoolchildren and university students who serve as the spearhead, they do so with the encouragement of their parents.

Surely it is time to wake up to the fact that the origins of the troubles are not only across the border, but also right here, and that the allegiance owed to the PLO is not so much imposed as generated by the occupation itself.

## Trade and be damned

FOR THE SECOND time in nine months, and for the umpteenth time in the last decade, a wave of selling orders, triggered by rumours of the imminent introduction of capital gains tax, has led to the closure of the Tel Aviv Stock Exchange. The suspicion that these rumours, and many of the selling orders, are deliberately planted and then exploited by some of the savvy market participants to achieve exactly this kind of panic, and thus force the government to change its mind, is ignored by the exchange management, which prefers to play into their hands by stopping trading, supposedly in the interest of the "small investor."

The Treasury's ritual denial will this time fail to convince anybody that it is not planning to tax gains from share trading. The statement it belatedly issued yesterday was clear only on the point of not taxing existing investment vehicles of all sorts. By implication it therefore confirmed that future savings would be taxed - and this, as far as is known, is part of the major tax reform being planned.

The likelihood is, therefore, that today will see another selling wave, so that exchange chairman Haim Stoessel and managing-director Yossi Nitzani will again be under pressure to appeal to the Treasury for "clarifications." Should this occur, they would be doing their institution, and the general public, the greatest public service if they this time stood up to the manipulators and called their bluff, by keeping the exchange open. Even in the worst case, if prices fall sharply for a few days, there is no need for alarm, because the lower prices will call forth buyers, including the institutional investors who increasingly dominate the market.

Beyond that, there is no valid reason not to bring in a capital gains tax, at a reasonable level, on stock exchange profits, especially if it is part of a wide-ranging tax reform that will also reduce corporate taxation and encourage listed companies to pay their shareholders regular cash dividends. Most serious market participants agree that Israel need not be more generous in this regard than, say, the U.S., where capital gains have long been taxable.

## ECONOMIC

(Continued from Page One)

consider our list of priorities."

Among Labour ministers, the stiffest opposition is expected from those whose budgets are likely to face the biggest cuts under the new programme. Thus Defence Minister Rabin, Education Minister Yitzhak Navon and Health Minister Arbeli-Almosino are seen as likely to come out most strongly against Nissim's programme at tonight's caucus. Some Labour figures believe that the Likud will seek to hit the budgets of Labour-controlled ministries, while sparing Likud ministries. Other Labourites, like Economics Minister Gad Ya'acobi, yesterday expressed qualified support similar in a tone to Peres's.

On the Likud side, trouble was brewing from the direction of Herut's welfare lobby, which is already protesting what it calls "a typical Liberal Party scheme that would benefit the 'haves' at the expense of the 'have-nots'."

Labour and Social Affairs Minister Moshe Katsav sharply criticized the plan, saying that hurting the poor would provide no cure for the country's financial ills, but would deepen its social problems. Katsav complained that the Likud does not look after its own ministries as Labour had during Peres's tenure as premier. Katsav maintained that Labour had "pampered its own ministries." Likud sources indicated that Deputy Prime Minister David Levy is also opposed to the plan.

Sources close to Shamir told *The Post* last night that they "hope that the debate will limit itself to the serious problems at hand and will not degenerate into a confrontation along party lines. There is no discrimination against Labour ministries. It is only natural that cuts in defence, education and health would be sizable, as these ministries receive the greatest chunk of the government's budget."

# Politics and powercuts

Aaron Leibel

EVERY EVENING, my neighbours and I in a "new Jerusalem neighbourhood" get out our candles in preparation for our odyssey back to the Dark Ages. Our trips, educational in that they show us how our ancestors lived before the discovery of electricity, sometimes last for a second, or 15 minutes, occasionally longer. Last week, we sat in the dark, shivering in the cold, for six hours. Our great benefactor in these learning experiences is the Jerusalem District Electricity Company, commonly, if incorrectly, known as the East Jerusalem Electric Company.

While not very adept at supplying electricity, the company for years has waged an effective campaign against its closure, charging that right-wing Israelis are bent on closing it down for political reasons. It is the largest Arab owned and operated employer on the West Bank, claim representatives of the firm, and putting it out of business would be another blow against Palestinian nationalism, and a big step toward

incorporating the territories into the State of Israel.

But while fighting for its survival, the company has neglected to improve its electricity-supply system - its *raison d'etre*.

DURING all our years of dark, freezing nights, of rescuing terrified children from stalled elevators, few of our elected representatives have rushed to our defence, apparently indifferent to our fate or taken in by the company's campaign of substituting political rhetoric for service. The municipality, while not administratively responsible for the company's failures, still has a moral obligation to speak out when a basic need like electricity is not being provided to its residents. Its spokesmen have been strangely silent.

The Energy Ministry, which is charged with assuring the supply of

electricity, has acted against the company but only because the IDEC owes NIS 20 million to its Israeli counterpart. There have been hints that if it does not pay its debt, the company's concession to supply electricity would not be renewed after it comes up for review at the end of next year.

But the company's debts are not at issue. An electric company's task is to supply electricity. If it cannot, then its duties should be transferred to a company that can, regardless of its financial status.

Such a company, the Israeli Electric Corporation, exists. (Its customers also suffer occasional power failures, caused by violent storms or broken tree limbs. We have no electricity on cloudless nights and there are no trees big enough to interfere with power lines in any of the new neighbourhoods of east and north Jerusalem. In any case, the IEC's service can hardly be worse than that of IDEC.)

There is, of course, an alternative: the company could improve its services. But excuses, political or otherwise, won't do. Our candles - and patience - are running out.

The writer is a member of The Jerusalem Post editorial staff.

## REAGAN

(Continued from Page One)

approve weapons sales to that country. As outlined by American specialists, these Israeli interests include a desire to:

- Prolong the Iran-Iraq war. Israeli leaders were anxious to see the war continue without either Iran or Iraq victorious. A prolonged war would clearly divert Arab and Islamic economic and military resources away from any potential threat against Israel.

- Assist the endangered Jewish community in Iran.

- Increase Israeli arms sales to Iran. During the days of the shah, Iran was a major customer of Israeli-made weapons. These deals were a significant source of income for Israel. Israeli arms exporters reportedly wanted to regain that market. While relatively modest amounts of Israeli arms sales to Iran continued "on and off" after the revolution in Iran, an American official said, no big sales were concluded. Israel thus had an economic interest in trying to shift the U.S. attitude toward such deals.

- Strengthen those Iranian military officers and political leaders who were willing to work quietly with Israel. Some of these officials were said to have had good relations with Israel during the shah's rule and had not been killed or purged after the rise of the Ayatollah Khomeini's fundamentalist regime.

The U.S. and Israel shared an overall geo-strategic interest in trying to keep the Soviet Union from expanding its influence in Iran. The U.S. and Israel also wanted to prevent the Soviets from controlling

Iran's oilfields and from acquiring a warm-water port in the Persian Gulf.

During his closed-door testimony on Monday, McFarlane said that he had met with a senior aide to Rafsanjani during his trip to Teheran in May. But he and his entourage, which included ousted National Security Council staffer Oliver North, did not meet with the speaker himself, although they had earlier expected to.

The *Washington Post* yesterday reported that McFarlane had told Congress he had broken off his four days of talks in Teheran after Rafsanjani's senior defence adviser informed him that additional arms shipments would be needed to gain the release of the American hostages.

"McFarlane was carrying negotiating instructions from Reagan that were intended to open a new political relationship between Teheran and Washington," the report said. "He had been led to believe by his successor as national security adviser, Vice Admiral John Poindexter, that his arrival in Teheran would consummate a prearranged deal for release of the U.S. hostages."

But he learned upon arrival that the hostages had not been released. He spent much of his time in Teheran negotiating unsuccessfully for their release. "When he returned to Washington and reported to the President in early June," the report continued, "his advice was that the Iranians were not ready for a new relationship and that the entire programme should be scuttled."

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